No. 75-122

IN THE SUPREME COURT OF THE UNITED STATES

OCTOBER TERM, 1975

Supreme Court, U. S.
FILED
NOV 20 1975
MICHAEL RODAK, JR., CLERK

LAWRENCE CANTOR, d/b/a SELDEN DRUGS COMPANY, individually and on behalf of all other retail sellers of light bulbs similarly situated,
Petitioner,

vs.

THE DETROIT EDISON COMPANY, a Michigan corporation,
Respondent.

On Petition for a Writ of Certiorari to the United States Court of Appeals for the Sixth Circuit

APPENDIX

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RELEVANT DOCKET ENTRIES

DATE	PROCEEDING
1973	
July 6,	Complaint with exhibits filed — summons issued. (Demand for Jury Trial)
Aug. 3,	Answer of deft. Detroit Edison Co., with proof of service filed.
Sept. 19,	Pltfs. first set of written interrogatories to deft., filed.
19,	Motion for temp. injunction and for maintenance of records, with exhibit, filed.
Oct. 23,	DEPOSITION of Lawrence Cantor, filed.
30,	DEFT's motion for summary judgment, with affidavits and proof of service, filed. BA
Nov. 6,	DEFT's answers to pltf's first set of interrogatories, with exhibits and proof of service, filed.
1974	
Jan. 2,	STIP. and order extending time for pltf's brief in response to motion for summary judgment to Feb. 25/74, filed and entered.
11,	STIPULATION as to separation of issues to be determined on deft's motion for summary judgment, filed.
Feb. 27,	DEPOSITIONS of Robert J. Blok, Donald Carrier, Ronald Daniels, George L. Lahodny and William R. Milby, filed.
Mar. 11,	AFFIDAVIT of David L. Nelson, filed. BA
25,	DEFT's reply memo. in support of its motion for summary judgment, with affidavit and exhibits, filed.
27,	ORDER setting time for oral argument of pltf's motion for summary judgment, for April 22/74, filed and entered.

DATE	PROCEEDING
1974	
Apr. 23,	SUBPOENA.
22,	MOTION for summary judgment, heard and taken under advisement.
July 3,	MEMORANDUM opinion granting deft's motion for summary judgment, filed and entered.
Aug. 22,	ORDER granting deft's motion for summary judgment, filed and entered.
29,	NOTICE of Appeal.
1975	
Apr. 23,	OPINION and ORDER of Sixth Circuit Court, Affirming.

COMPLAINT FOR ANTI-TRUST VIOLATIONS
(Filed July 6, 1973)

COUNT I

Now comes LAWRENCE CANTOR d/b/a SELDEN DRUGS CO. Individually and on behalf of all other Retail Sellers of Light Bulbs similarly situated, which Class is described herein Plaintiffs, by Sugar, Schwartz, Silver, Schwartz & Tyler, P.C.; Fohrman, Lurie, Holstein, Sklar & Cottle, Ltd., and Burton I. Weinstein, their attorneys and complaining of the Defendant, alleges as follows:

JURISDICTION

1. This Complaint is filed and these proceedings are instituted under § 4 of the Act of Congress of October 15, 1914, (15 U.S.C. § 15) commonly known as the Clayton Act, to recover treble damages for the injuries which have been sustained by the Plaintiffs and all other persons and entities similarly situated and for injunctive relief as a result of Defendant's violation of § 2 of the Act of Congress of July 3, 1890 (15 U.S.C. § 2), commonly known as the Sherman Act (Count I); and § 3 of the Act of Congress of October 15, 1914 (15 U.S.C. § 14), commonly known as the Clayton Act (Count II).

DEFENDANTS

2. Defendant DETROIT EDISON COMPANY (hereinafter referred to as "EDISON") a corporation existing under the laws of the State of Michigan, is a public utility having been granted by the State of Michigan, an exclusive franchise for the sole purpose of furnishing alternating electric energy service throughout its territory.

3. Within EDISON's marketing territory, it is the sole supplier of electrical energy (electric current). EDISON's marketing rights exist by virtue of the grant of an exclusive franchise to sell electric energy by the State of Michigan in the areas set forth herein.

4. EDISON purchases through interstate commerce the incandescent bulbs distributed to general service customers (residential customers) from various suppliers which suppliers ship the bulbs to Defendant EDISON in interstate commerce.

5. The relevant product for purposes of this suit is incandescent lamps commonly known as light bulbs of standard size and quality.

6. The relevant geographic market for purposes of this suit is all of EDISON's marketing territory including all of Wayne County, portions of Washtenaw, Ingham, Livingston, Monroe and Lenawee Counties; Macomb, Huron, Lapeer, St. Clair, Sanilac and Tuscola Counties; and Oakland County, except Holly Township, in the State of Michigan. Attached hereto and made a part hereof as Exhibit "A" is a map of the area serviced by EDISON; attached hereto and made a part hereof as Exhibit "B" is a list of the territory serviced by Defendant. Exhibit "C" attached hereto and made a part hereof is a list of the cities serviced by EDISON; Exhibit "D" attached hereto and made a part hereof is a list of the villages serviced by Defendant; Exhibit "E" attached hereto and made a part hereof is a list of townships serviced by Defendant.

VENUE

7. The Plaintiff's and Defendant's principal places of business are situated within the Eastern District of Michigan.

PLAINTIFFS

8. Plaintiff LAWRENCE CANTOR d/b/a SELDEN DRUGS CO. operates a retail drug store located in the City of Detroit, Wayne County, Michigan. For many years, Plaintiff has had available for sale, at retail for profit, incandescent light bulbs of the same kind and quality as those provided by EDISON to general service customers (residential customers).

REPRESENTATIVE SUIT

9. Plaintiff brings this action on his own behalf and as representative of a Class of persons and business entities similarly situated to the named Plaintiff who are engaged in the business of selling light bulbs at retail in competition with the Defendant, DETROIT EDISON COMPANY, in EDISON's marketing area.

This action is brought pursuant to the provisions of Rule 23 of the Federal Rules of Civil Procedure. The persons and businesses of this Class are so numerous that joinder of all Plaintiffs is impractical. Although their identities are unknown to Plaintiff, the notices provided for in Rule 23 of the Federal Rules of Civil Procedure can be given. Except as to the amount of damages sustained by each member of the class and the period of time within which such damages were sustained, all questions of law and fact are common to all members of the Class and predominate over any questions affecting individual Plaintiffs. Named Plaintiff's claims are typical of the Class and it will fairly and adequately represent the interests of all members of the Class. Irreparable harm will result unless this case is permitted to go forward as a class action in that:

A. Numerous small claims will have no other practical means to be brought or,

B. Inconsistent or varying adjudications may result which would establish incompatible standards of conduct for the party opposing the Class or,

C. Adjudications with respect to individual members of the Class which would as a practical matter be dispositive of the interests of the other members not parties to the adjudications or substantially impair or impede their ability to protect their interests.

D. Defendant has acted on grounds generally applicable to the Class, thereby making appropriate declaratory relief with respect to the Class as a whole. Moreover, the questions of law and fact common to the members of the Class predominate over any questions affecting only individual members and the class action is superior to other available methods for the fair and efficient adjudication of the controversy herein.

VIOLATIONS ALLEGED AS AGAINST DEFENDANT EDISON

10. For many years, under the terms of the agreement between EDISON and its "general service customers" (residential customers), EDISON has required as a condition to obtaining electrical energy service, that each of these customers pay a monthly rate which includes a charge for incandescent lamps commonly known as light bulbs. EDISON's single rate to general service customers for both electric energy and light bulbs are set forth in the general service rate the most recent of which is attached hereto and made a part hereof as Exhibit "F" (deceptively labeled "energy charge").

11. The requirement by EDISON that a general service customer pay a rate which includes a charge for light bulbs as a condition of purchasing electric energy (a service for which EDISON enjoys an exclusive monopoly) constitutes an illegal "tie-in" requirement in restraint of

trade and commerce in the sale of standard size and quality incandescent light bulbs.

12. Plaintiff's and Class Plaintiffs' available market for the sale of light bulbs at retail for profit is and always has been the same customers who are tied to paying for EDISON's light bulbs by virtue of their being required to pay a rate which includes the cost of bulbs when purchasing electric energy from EDISON.

13. As a direct result of EDISON's unreasonable restraint of trade and attempt to monopolize and monopolization of the sale of standard size and quality incandescent light bulbs in the territory serviced by it, in violation of § 2 of the Sherman Anti-Trust Act, Plaintiff and all other persons and entities similarly situated have been denied a major retail market for light bulbs and thereby, have lost vast sums of money in profits from EDISON's deprivation of their sale of incandescent bulbs in that:

A. Persons who would otherwise purchase light bulbs from Plaintiff and Class Plaintiffs have been required to buy their bulbs from EDISON;

B. Plaintiff and Class Plaintiffs, because of their severely limited sales of bulbs, have been denied the buying power to purchase large quantities of bulbs at wholesale quantity discount prices. This has resulted in their further loss of profits;

C. Plaintiffs and Class Plaintiffs have been denied profits on sales to persons who would otherwise enter upon the premises of Plaintiff and Class Plaintiffs for the purpose of purchasing light bulbs and who would purchase other products in conjunction with their light bulb purchases.

14. During the period involved, Plaintiff and Class Plaintiffs have been injured in their business or property by reason of Defendant's illegal attempt to monopolize, illegal monopolization and tie-in sales requirements in large sums of money, the dollar amounts of which are not presently established but can be determined by the proofs and evidence in this case.

WHEREFORE, Plaintiff, individually and on behalf of all persons and entities similarly situated respectfully request this Court to:

A. Temporarily and permanently enjoin Defendant DETROIT EDISON COMPANY from requiring the purchasing of incandescent bulbs in connection with the sale of electric energy to general service customers.

B. Determine this matter to be a valid class action.

C. Award judgment for Plaintiff and Class Plaintiffs against Defendants for threefold the amount of actual damage sustained as a result of the violations alleged herein or whatever other amount may be just in the premises.

D. Award Plaintiff and Class Plaintiffs reasonable attorneys' fees and costs incurred in prosecuting this action.

E. Grant whatever other relief this Court may deem just in the premises.

COUNT II

Plaintiff, individually and on behalf of all persons and entities similarly situated, realleges and adopts Paragraphs 1 through 14 of Count I as Paragraphs 1 through 14 of Count II.

15. The requirement by EDISON that its general service customers pay a rate which includes a charge for light bulbs as a condition of purchasing electric energy service constitutes an illegal "tie-in" requirement in restraint of trade and commerce in the sale of incandescent light bulbs in violation of § 3 of the Clayton Act.

WHEREFORE, named Plaintiff, individually and on behalf of all persons and entities similarly situated respectfully request this Court to:

A. Temporarily and permanently enjoin Defendant DETROIT EDISON COMPANY from requiring

the purchasing of incandescent bulbs in connection with the sale for electric energy to general service customers.

B. Determine this matter to be a valid class action.

C. Award judgment for Plaintiff and Class Plaintiffs against Defendants for threefold the amount of actual damage sustained as a result of the violations alleged herein or whatever other amount may be just in the premises.

D. Award Plaintiff reasonable attorneys' fees and costs incurred in prosecuting this action.

E. Grant whatever other relief this Court may deem just in the premises.

Sommers, Schwartz, Silver,
Schwartz, Tyler & Gordon,
P.C.
Fohrman, Lurie, Holstein,
Sklar & Cottle, Ltd.
Burton I. Weinstein

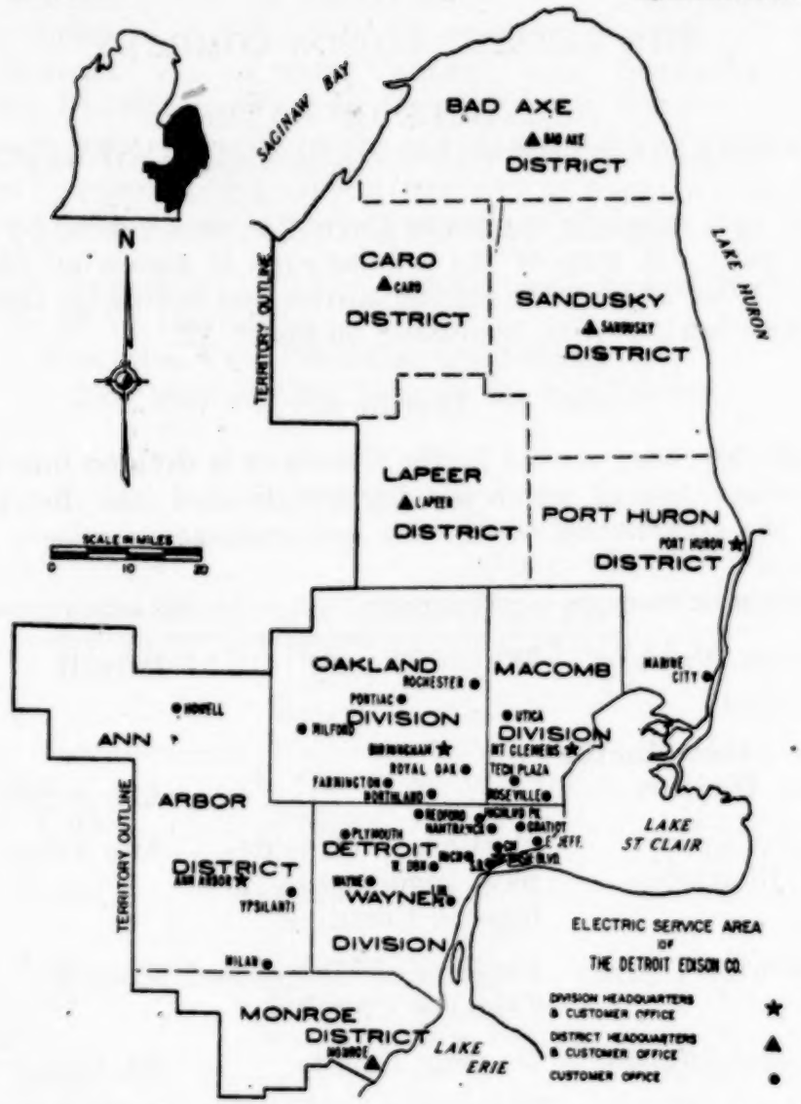
By: (s) David L. Nelson
Attorneys for Plaintiffs

26555 Evergreen, Suite 1602
Southfield, Michigan 48076
352-9870

Dated: July 6, 1973

EXHIBIT A 12a

M.P.S.C. No. 7 Original Sheet No. A1



Issued: August 19, 1972
By R. W. Hartwell,
Executive Vice President for Finance
2000 Second Ave., Detroit, Michigan 48226

Effective: August 19, 1972

EXHIBIT B

M.P.S.C. No. 7 Original Sheet No. 1

THE DETROIT EDISON COMPANY

SCHEDULE OF RATES
GOVERNING THE SALE OF ELECTRIC SERVICE

This rate schedule applies to the entire area served by the Company. A map of the service area is shown on Sheet A1. A list of counties, municipalities and townships served is included herewith, beginning on Sheet A2.

Territory

The territory served by the Company is divided into five divisions, two of which are further divided into districts, for the administration of sales and customer services:

DIVISION OR DISTRICT	TERRITORY	HEADQUARTERS
Detroit-Wayne Division	Wayne County	Detroit
Ann Arbor-Monroe Area Division		Ann Arbor
Ann Arbor District	Portions of Washtenaw, Ingham and Livingston Counties	Ann Arbor
Monroe District	Portions of Monroe and Lenawee Counties	Monroe
Macomb Division	Macomb County	Mt. Clemens
Oakland Division	Oakland County, except Holly Township	Birmingham
Thumb Area Division		Port Huron
Bad Axe District	Huron County	Bad Axe
Lapeer District	Lapeer County	Lapeer

DIVISION OR DISTRICT	TERRITORY	HEADQUARTERS
Port Huron District	St. Clair County	Port Huron
Sandusky District	Sanilac County	Sandusky
Caro District	Tuscola County	Caro

THIS RATE SCHEDULE SUPERSEDES AND REPLACES THE RATE SCHEDULE PREVIOUSLY ON FILE AND DESIGNATED AS M.P.S.C. NO. 6

Issued: August 19, 1972 Effective: August 19, 1972
By R. W. Hartwell,
Executive Vice President for Finance
2000 Second Ave., Detroit, Michigan 48226

EXHIBIT C

M.P.S.C. No. 7 Original Sheet No. A2

LIST OF CITIES SERVED
BY THE DETROIT EDISON COMPANY

CITY OF	COUNTY	CITY OF	COUNTY
Algonac	St. Clair	Melvindale	Wayne
Allen Park	Wayne	Memphis	Macomb & St. Clair
Ann Arbor	Washtenaw	Milan	Washtenaw & Monroe
Bad Axe	Huron	Monroe	Monroe
Belleville	Wayne	Mt. Clemens	Macomb
Berkley	Oakland	New Baltimore	Macomb & St. Clair
Birmingham	Oakland	Northville	Wayne
Bloomfield Hills	Oakland	Novi	Oakland
Brighton	Livingston	Oak Park	Oakland
Brown City	Sanilac	Orchard Lake	Oakland
Center Line	Macomb	Pleasant Ridge	Oakland
Clawson	Oakland	Plymouth	Wayne
Dearborn	Wayne	Port Huron	St. Clair

CITY OF	COUNTY	CITY OF	COUNTY
Dearborn Heights	Wayne	Richmond	Macomb
Detroit	Wayne	River Rouge	Wayne
East Detroit	Macomb	Riverview	Wayne
Ecorse	Wayne	Rochester	Oakland
Farmington	Oakland	Rockwood	Wayne
Ferndale	Oakland	Roseville	Macomb
Flat Rock	Wayne	Royal Oak	Oakland
Fraser	Macomb	Saline	Washtenaw
Garden City	Wayne	Sandusky	Salinac
Gibraltar	Wayne	South Lyon	Oakland
Grosse Pointe	Wayne	Southfield	Oakland
Grosse Pointe Farms	Wayne	Southgate	Wayne
Grosse Pointe Park	Wayne	St. Clair	St. Clair
Grosse Pointe Woods	Wayne	St. Clair Shores	Macomb
Hamtramck	Wayne	Sterling Heights	Macomb
Harbor Beach	Huron	Sylvan Lake	Oakland
Harper Woods	Wayne	Taylor	Wayne
Hazel Park	Oakland	Trenton	Wayne
Highland Park	Wayne	Troy	Oakland
Howell	Livingston	Utica	Macomb
Huntington Woods	Oakland	Vassar	Tuscola
Inkster	Wayne	Walled Lake	Oakland
Keego Harbor	Oakland	Warren	Macomb
Lapeer	Lapeer	Wayne	Wayne
Lathrup Village	Oakland	Westland	Wayne
Lincoln Park	Wayne	Williamston	Ingham
Livonia	Wayne	Wixom	Oakland
Madison Heights	Oakland	Woodhaven	Wayne
Marine City	St. Clair	Yale	St. Clair
Marysville	St. Clair	Ypsilanti	Washtenaw

In addition the Company serves small areas in the Cities of Wyandotte and Pontiac annexed to these cites from township lands.

Issued: August 19, 1972 Effective: August 19, 1972
By R. W. Hartwell,
Executive Vice President for Finance
2000 Second Ave., Detroit, Michigan 48226

EXHIBIT D

M.P.S.C. No. 7 Original Sheet No. A3

LIST OF VILLAGES SERVED BY THE DETROIT EDISON COMPANY

VILLAGE OF	COUNTY	VILLAGE OF	COUNTY
Akron	Tuscola	Kingston	Tuscola
Almont	Lapeer	Lake Angelus	Oakland
Applegate	Sanilac	Lake Orion	Oakland
Armada	Macomb	Leonard	Oakland
Beverly Hills	Oakland	Lexington	Sanilac
Bingham Farms	Oakland	Marlette	Sanilac
Capac	St. Clair	Maybee	Monroe
Carleton	Monroe	Mayville	Tuscola
Caro	Tuscola	Melvin	Sanilac
Carsonville	Sanilac	Metamora	Lapeer
Caseville	Huron	Milford	Oakland
Cass City	Tuscola	Millington	Tuscola
Clarkston	Oakland	Minden City	Sanilac
Clifford	Lapeer	New Haven	Macomb
Columbiaville	Lapeer	North Branch	Lapeer
Deckerville	Sanilac	Ortonville	Oakland
Dexter	Washtenaw	Otter Lake	Lapeer
Dryden	Lapeer	Owendale	Huron
Dundee	Monroe	Oxford	Oakland
Elkton	Huron	Peck	Sanilac
Emmett	St. Clair	Petersburg	Monroe
Estral Beach	Monroe	Pigeon	Huron
Fairgrove	Tuscola	Pinckney	Livingston
Forestville	Sanilac	Port Austin	Huron
Fowlerville	Livingston	Port Hope	Huron
Franklin	Oakland		
Gagetown	Tuscola	Port Sanilac	Sanilac
Grosse Pointe Shores	Wayne & Macomb	Quaker Town	Oakland
Imlay City	Lapeer	Reese	Tuscola
Kinde	Huron	Romeo	Macomb

(Continued on next sheet)

M.P.S.C. No. 7 Original Sheet No. A3a

LIST OF VILLAGES SERVED — Continued
BY THE DETROIT EDISON COMPANY

VILLAGE OF	COUNTY	VILLAGE OF	COUNTY
South Rockwood	Monroe	Webberville	Ingham
Ubly	Huron	Wolverine Lake	Oakland
Unionville	Tuscola	Woodcreek Farms	Oakland

Issued: August 19, 1972 Effective: August 19, 1972
By R. W. Hartwell,
Executive Vice President for Finance
2000 Second Ave., Detroit, Michigan 48226

EXHIBIT E

M.P.S.C. No. 7 Original Sheet No. A4

LIST OF TOWNSHIPS SERVED
BY THE DETROIT EDISON COMPANY

TOWNSHIP OF	COUNTY	TOWNSHIP OF	COUNTY
Addison	Oakland	Burtchville	St. Clair
Akron	Tuscola	Canton	Wayne
Almer	Tuscola	Casco	St. Clair
Almont	Lapeer	Caseville	Huron
Ann Arbor	Washtenaw	Chandler	Huron
Arbela	Tuscola	Chesterfield	Macomb
Arcadia	Lapeer	China	St. Clair
Argyle	Sanilac	Clay	St. Clair
Armada	Macomb	Clinton	Lenawee
Ash	Monroe	Clinton	Macomb
Attica	Lapeer	Clyde	St. Clair
Augusta	Washtenaw	Colfax	Huron
Austin	Sanilac	Columbia	Tuscola
Avon	Oakland	Columbus	St. Clair
Berlin	Monroe	Commerce	Oakland
Berlin	St. Clair	Conway	Livingston
Bingham	Huron	Cottrelville	St. Clair
Bloomfield	Huron	Custer	Sanilac
Bloomfield	Oakland	Dayton	Tuscola
Brandon	Oakland	Deerfield	Lapeer
Bridgehampton	Sanilac	Delaware	Sanilac
Bridgewater	Washtenaw	Denmark	Tuscola
Brighton	Livingston	Dexter	Washtenaw
Brockway	St. Clair	Dryden	Lapeer
Brookfield	Huron	Dundee	Monroe
Brownstown	Wayne	Dwight	Huron
Bruce	Macomb	East China	St. Clair
Buel	Sanilac	Elba	Lapeer
Burlington	Lapeer	Elk	Sanilac
Burnside	Lapeer	Elkland	Tuscola

(Continued on next sheet)

M.P.S.C. No. 7 Original Sheet No. A4a

LIST OF TOWNSHIPS SERVED — Continued
BY THE DETROIT EDISON COMPANY

TOWNSHIP OF	COUNTY	TOWNSHIP OF	COUNTY
Ellington	Tuscola	Harrison	Macomb
Elmer	Sanilac	Hartland	Livingston
Elmwood	Tuscola	Highland	Oakland
Emmett	St. Clair	Howell	Livingston
Evergreen	Sanilac	Hume	Huron
Exeter	Monroe	Huron	Huron
Fairgrove	Tuscola	Huron	Wayne
Fair Haven	Huron	Ida	Monroe
Farmington	Oakland	Imlay	Lapeer
Flynn	Sanilac	Independence	Oakland
Forester	Sanilac	Indianfields	Tuscola
Fort Gratiot	St. Clair	Iosco	Livingston
Freedom	Washtenaw	Ira	St. Clair
Fremont	Sanilac	Juniata	Tuscola
Fremont	Tuscola	Kenockee	St. Clair
Frenchtown	Monroe	Kimball	St. Clair
Genoa	Livingston	Kingston	Tuscola
Gilford	Tuscola	Koylton	Tuscola
Goodland	Lapeer	Lake	Huron
Gore	Huron	Lamotte	Sanilac
Grant	Huron	Lapeer	Lapeer
Grant	St. Clair	Lenox	Macomb
Greenleaf	Sanilac	Leroy	Ingham
Green Oak	Livingston	Lexington	Sanilac
Greenwood	St. Clair	Lima	Washtenaw
Grosse Isle	Wayne	Lincoln	Huron
Groveland	Oakland	Locke	Ingham
Hadley	Lapeer	Lodi	Washtenaw
Hamburg	Livingston	London	Monroe
Handy	Livingston	Lynn	St. Clair

(Continued on next sheet)

M.P.S.C. No. 7 Original Sheet No. A4b

LIST OF TOWNSHIPS SERVED — Continued
BY THE DETROIT EDISON COMPANY

TOWNSHIP OF	COUNTY	TOWNSHIP OF	COUNTY
Lyon	Oakland	Pittsfield	Washtenaw
McKinley	Huron	Plymouth	Wayne
Macomb	Macomb	Pte. Aux Barques	Huron
Macon	Lenawee	Pontiac	Oakland
Maple Valley	Sanilac	Port Austin	Huron
Marathon	Lapeer	Port Huron	St. Clair
Marion	Livingston	Putnam	Livingston
Marion	Sanilac	Raisinville	Monroe
Marlette	Sanilac	Ray	Macomb
Mayfield	Lapeer	Redford	Wayne
Meade	Huron	Rich	Lapeer
Metamora	Lapeer	Richmond	Macomb
Milan	Monroe	Riley	St. Clair
Milford	Oakland	Romulus	Wayne
Millington	Tuscola	Rose	Oakland
Minden	Sanilac	Royal Oak	Oakland
Moore	Sanilac	Rubicon	Huron
Mussey	St. Clair	Salem	Washtenaw
North Branch	Lapeer	Saline	Washtenaw
Northfield	Washtenaw	Sand Beach	Huron
Northville	Wayne	Sanilac	Sanilac
Novesta	Tuscola	Scio	Washtenaw
Novi	Oakland	Sebewaing	Huron
Oakland	Oakland	Shelby	Macomb
Oceola	Livingston	Sheridan	Huron
Oliver	Huron	Sherman	Huron
Oregon	Lapeer	Sigel	Huron
Orion	Oakland	Speaker	Sanilac
Oxford	Oakland	Springfield	Oakland
Paris	Huron	St. Clair	St. Clair

(Continued on next sheet)

M.P.S.C. No. 7 Original Sheet No. A4c

LIST OF TOWNSHIPS SERVED — Continued
BY THE DETROIT EDISON COMPANY

TOWNSHIP OF	COUNTY	TOWNSHIP OF	COUNTY
Summerfield	Monroe	Webster	Washtenaw
Sumpter	Wayne	Wells	Tuscola
Superior	Washtenaw	West Bloomfield	Oakland
Tuscola	Tuscola	Wheatfield	Ingham
Van Buren	Wayne	Wheatland	Sanilac
Vassar	Tuscola	White Lake	Oakland
Verona	Huron	White Oak	Ingham
Wales	St. Clair	Williamston	Ingham
Washington	Macomb	Winsor	Huron
Washington	Sanilac	Wisner	Tuscola
Waterford	Oakland	Worth	Sanilac
Watertown	Sanilac	York	Washtenaw
Watertown	Tuscola	Ypsilanti	Washtenaw

Issued: August 19, 1972 Effective: August 19, 1972
By R. W. Hartwell,
Executive Vice President for Finance
2000 Second Ave., Detroit, Michigan 48226

EXHIBIT F

M.P.S.C. No. 7 Original Sheet No. D3

GENERAL SERVICE RATE

AVAILABILITY OF SERVICE: Available to customers desiring service for any purpose, except that this rate is not available for service in conjunction with the Large General Service Rate, nor to installations having a demand of over 1000 kilowatts not taking service on this rate prior to the effective date below.

The 1000 kilowatt limitation may be waived for the following cases:

1. For temporary installations where the customer pays the "in and out" charges.
2. For Primary Supply installations during construction while the building is under jurisdiction of the contractor.

Standby service not available under this rate.

HOURS OF SERVICE: 24 hours.

CURRENT, PHASE AND VOLTAGE: Alternating current, single phase, nominally at 120/240 volts, three-wire; or three phase four-wire, delta connected at 120/240 volts; or under certain conditions three phase four-wire, Y connected at 277/480 volts.

Except that, in certain city districts, alternating current is supplied from a Y connected secondary network from which 120/208 volt, three-wire or 120/128 volt, three phase four-wire service may be taken.

RATE PER MONTH:

Energy Charge:

$1.50 which shall include 15 kilowatthours or less,
4.50¢ per kilowatthour plus fuel adjustment for the next 85 kilowatthours,

3.80¢ per kilowatthour plus fuel adjustment for the next 900 kilowatthours,
2.80¢ per kilowatthour plus fuel adjustment for the next 9,000 kilowatthours, and
2.20¢ per kilowatthour plus fuel adjustment for the excess kilowatthours.

FUEL ADJUSTMENT: See Schedule Designation B-4.6.

DISCOUNT: 3% for prompt payment.

MINIMUM CHARGE: $1.50 per month, less 3% discount for prompt payment.

LAMP SUPPLY: See Schedule Designation B-5.5 (2).

CONTRACT TERM: Open order, terminable on three days written notice by either party. Where special services are required, or where the investment to serve is out of proportion to the revenue derived therefrom, the term will be as specified in the applicable contract rider.

WATER HEATING SERVICE: Water heating service is available on an optional basis. See Schedule Designation No. D5.

Issued: August 19, 1972
By R. W. Hartwell,
Executive Vice President for Finance
2000 Second Ave., Detroit, Michigan 48226

Effective on service rendered on and after August 19, 1972 under authority of Order of the Michigan Public Service Commission dated August 18, 1972, in Case U-3910.

ANSWER OF DEFENDANT DETROIT EDISON COMPANY
(Filed August 3, 1973)

Defendant, Detroit Edison Company, by its attorneys answers the Complaint herein as follows:

FIRST DEFENSE

With respect to each of the numbered allegations of the Complaint Detroit Edison Company, hereinafter "Detroit Edison," pleads as follows:

1. Answering paragraph one (1) Detroit Edison, admits that Plaintiff has filed its Complaint and purports to bring these proceedings to recover treble damages and obtain injunctive relief under Section 4 of the Clayton Act (15 U.S.C. § 15). Detroit Edison denies all other allegations contained therein.

2. Answering paragraph two (2) Detroit Edison, admits that it is a corporation existing under the laws of the State of Michigan, and that it is a public utility. Detroit Edison denies all other allegations contained therein.

3. Answering paragraph three (3) Detroit Edison, admits that it is the primary supplier of electrical energy in its marketing territories. Detroit Edison denies all other allegations contained therein.

4. Answering paragraph four (4) Detroit Edison, denies the allegations contained therein.

5. Answering paragraph five (5) Detroit Edison, is without knowledge or information sufficient to form a belief as to the truth of the allegations contained therein.

6. Answering paragraph six (6) Detroit Edison, is without knowledge or information sufficient to form a belief as to the truth of the allegations contained therein.

7. Answering paragraph seven (7) Detroit Edison, admits the allegations contained therein.

8. Answering paragraph eight (8) Detroit Edison, is without knowledge or information sufficient to form a belief as to the truth of the allegations contained therein.

9. Answering paragraph nine (9) Detroit Edison, admits that Plaintiff seeks to bring this action on his own behalf and as a representative of a class of persons defined pursuant to Rule 23 of the Federal Rules of Civil Procedure. Detroit Edison denies the remainder of the allegations contained therein.

10. Answering paragraph ten (10) Detroit Edison, admits that Exhibit "F" sets forth its General Service Rates. Detroit Edison denies the other allegations contained therein.

11. Answering paragraph eleven (11) Detroit Edison, denies the allegations contained therein.

12. Answering paragraph twelve (12) Detroit Edison, is without knowledge or information sufficient to form a belief as to the truth of the allegations contained therein.

13. Answering paragraph thirteen (13) Detroit Edison, denies the allegations contained therein.

14. Answering paragraph fourteen (14) Detroit Edison, denies the allegations contained therein.

15. Answering paragraph fifteen (15) Detroit Edison, denies the allegations contained therein.

SECOND DEFENSE

The Complaint fails to state a claim upon which relief may be granted.

THIRD DEFENSE

This action may not be properly maintained as a class action under Rule 23 of the Federal Rules of Civil Procedure.

FOURTH DEFENSE

The injury and damages for which relief is sought are an immediate or ultimate consequence of acts which in whole or in part fall within the exclusive jurisdiction of State and/or local regulatory agencies, and are not actionable under the antitrust laws by reason of the "State Action" exception to such laws.

FIFTH DEFENSE

To the extent that Plaintiff claims to have suffered or seeks recovery for any damages allegedly sustained by it prior to July 6, 1969, those claims are barred by the period of limitations set forth in Section 4(b) of the Clayton Act (15 U.S.C. § 15(b)).

SIXTH DEFENSE

The policies and practices of Detroit Edison in regard to the distribution and replacement of electric light bulbs commenced in approximately 1886, and such policies and practices have been and are the result of natural growth and development of a superior product, business acumen and historic accident.

SEVENTH DEFENSE

Any acts, practices or agreements undertaken by Detroit Edison are or have been clearly lawful under heretofore controlling legal doctrines and, at all times, including the times Detroit Edison so acted or undertook such practices or agreements, it relied upon said doctrines. Any ultimate judicial decision declaring or holding any of such acts, practices or agreements unlawful would be an expression of new legal doctrine, and in accordance with established equitable principles, should be given only prospective application.

WHEREFORE, Detroit Edison prays:

1. That the Complaint be dismissed with prejudice; and that judgment be entered for the Defendant.
2. That the Defendant be awarded its costs and such other and further relief as the Court may deem just and proper in the circumstances.

Dated: August 3, 1973

(s) Jerry S. Cohen

Herbert E. Milstein
Michael D. Hausfeld
1776 K Street, N.W.
Washington, D. C. 20006
202/293-7110

Leon Cohan
V.P. — Legal Affairs
Detroit Edison Company
2000 Second Avenue
Detroit, Michigan 48226

Attorneys for Defendant

Of Counsel:

Harold E. Kohn, P.A.
Attorneys at Law
1214 IVB Building
1700 Market Street
Philadelphia, Pennsylvania 19103

DEFENDANT'S MOTION FOR SUMMARY JUDGMENT
(Filed October 30, 1973)

Defendant moves that this Court grant a summary judgment in its favor in the above-entitled matter for the reasons stated in the attached "Memorandum in Support of Motion for Summary Judgment" and the affidavits in support thereof.

Dated: November 1, 1973

(s) Jerry S. Cohen

Herbert E. Milstein
Michael D. Hausfeld
1776 K Street, N.W.
Washington, D. C. 20006
(202) 293-7110

(s) Christopher C. Nern

Leon S. Cohan
Legal Department
Detroit Edison Company
2000 Second Avenue
Detroit, Michigan 48226
(313) 237-8477

Attorneys for Defendant

Of Counsel:

Harold E. Kohn, P.A.
Attorneys at Law
1700 Market Street
Philadelphia, Pennsylvania 19103
(215) 665-9900

Affidavit of Ronald Daniels in Support of Defendant's Motion for a Summary Judgment

STATE OF MICHIGAN
ss.
COUNTY OF WAYNE

RONALD DANIELS, being first duly sworn, deposes and says as follows:

1. That I am Director of the Rate and Revenue Requirement Department of The Detroit Edison Company, having previously been Assistant Director.
2. That I have been employed in the Rate and Revenue Requirement Department since 1961, and that since then I have become familiar with all of the activities of that Department.
3. That it is the function of the Rate and Revenue Requirement Department to perform studies and analysis of the Cost of Service for the different classes of customers of The Detroit Edison Company, including economic studies, load research, load administration and rate research.

4. That the work performed by the Rate and Revenue Research Department as indicated in paragraph (3) yields various work products which are incorporated into documentation which is ultimately submitted to the Michigan Public Service Commission for review in conjunction with filings for various rate adjustments.

5. That all of the rates for electric service which are charged by The Detroit Edison Company are now and since 1909 have been subject to the approval of the Michigan Public Service Commission or its predecessors.

6. That since 1886, the rates for both domestic and general service customers have included an amount which constitutes an allowance for the cost of incandescent lamps which are exchanged by Detroit Edison customers.

7. That the amount which constitutes the allowance for the cost of incandescent lamps exchanged is not computed in a manner which affords The Detroit Edison Company a profit on those lamps which are exchanged, but rather than this amount is figured similarly to the expenses incurred for labor or fuel costs.

8. That on many occasions the Michigan Public Service Commission has reviewed Detroit Edison's customer service programs, including among others, the lamp exchange program and the appliance repair program.

9. That never has the Michigan Public Service Commission determined that the lamp exchange program was either unreasonable or otherwise unlawful.

10. That it is my understanding that the lamp exchange program was initiated to provide easy access to replacement lamps for customers whose lamps had burned out as well as the encouragement of the use of incandescent lamps so as to ultimately encourage the use of electricity in the homes, offices and businesses of Detroit Edison customers.

11. That the benefit derived by Detroit Edison customers from this lamp exchange program is a lower cost of lamps resulting from increased purchases arranged by Detroit Edison.

12. That The Detroit Edison Company makes no direct profit from the exchange of lamps, but that the only purpose of the lamp exchange program has been historically, and is presently, one of service to Detroit Edison customers.

13. That the vast majority of the expenses related to the lamp exchange program is the cost incurred in the purchase of lamps, however, certain additional expenses result from the administration of the program.

14. That the cost of the lamp exchange program is directly related to the demand placed upon Detroit Edison by its customers for lamps and that since rates are based upon test year data, rates accurately reflect the actual operating experience, that is as demand for lamps decreases, the cost of the program decreases, which in turn is reflected in a decreased cost of service and ultimately a decrease in rates.

15. That likewise, an increase in the use of the program will result in an increase in the cost of service, and therefore, ultimately a possible increase in rates.

16. That even if the lamp exchange program were eliminated, that would not mean that certain related expenses, such as, cost of personnel employed in the Customer Offices, would decrease.

17. That in the present rate case, U-4257, Detroit Edison has included a direct expense of Two Million Eight Hundred Thirty Five Thousand Dollars ($2,835,000.00) for the lamp exchange program plus certain allocation of monies to cover the cost of marketing personnel, as well as other administrative general expenses, incurred in the program.

18. That it is my understanding that The Detroit Edison lamp exchange program has not in the past been considered or is not presently considered as a profit making program, but rather merely a customer service which has been continued in an effort to establish good customer relations.

AND FURTHERMORE, Affiant sayeth not.

(s) Ronald Daniels

• • •

Affidavit of William Milby in Support of Defendant's Motion for a Summary Judgment

STATE OF MICHIGAN
ss.
COUNTY OF WAYNE

I, WILLIAM R. MILBY, being first duly sworn, depose and say as follows:

1. THAT I am the Assistant Vice President of Customer and Marketing Services Department and Manager-Customer Services for The Detroit Edison Company.

2. THAT I have been employed by The Detroit Edison Company for 44 years, all of these 44 years having been spent in various customer service activities.

3. THAT I became Assistant to the Director of Customer Services in 1947, Assistant Director in 1954, Director of Customer Services in 1958 and Assistant Manager of Customer Services in 1960, and that in 1967, I became Manager of Customer Services and have been in my present position since 1970.

4. THAT within my area of responsibility is the lamp exchange program and that I am well acquainted and very familiar with this program both presently and as it has existed in the past.

5. THAT The Detroit Edison Company considers the lamp exchange program one of its most important customer services and that the program has received the most local and national publicity of any Detroit Edison customer service.

6. THAT the lamp exchange program began in the early 1900's and has grown over the years in relation to the increase of Detroit Edison customers.

7. THAT from a search of the records of The Detroit Edison Company, I have determined that the number of lamps exchanged through the program over the past ten years to be:

1972 — 18,564,381	1967 — 14,858,655
1971 — 17,996,798	1966 — 14,655,697
1970 — 17,374,123	1965 — 14,360,737
1969 — 16,414,864	1964 — 14,364,814
1968 — 15,968,267	1963 — 14,557,233

8. THAT in 1963, the average number of lamps exchanged per Detroit Edison customer was 10.09, and that in 1972 this figure was 11.17.

9. THAT the annual increases in the exchange of lamps reflects several factors, more particularly an increase in the number of lamp sockets present in the home, office or store, vastly improved lighting techniques as well as an increase in demand for the safety and security provided by proper lighting.

10. THAT as well as for the reasons indicated in paragraph 9, the lamp exchange program has grown primarily because the number of Detroit Edison customers has grown.

11. THAT my understanding of the historical basis of the lamp exchange program was one of practical necessity, more particularly an effort to acquaint Edison customers with the improved lighting provided by electric lamps as well as to make certain that the use of electricity was encouraged by the elimination of empty lamp sockets in the homes, stores and offices of Edison customers. To this extent, the Detroit Edison Company until 1954, provided for the actual delivery of the lamps to its customers at their homes or places of business.

12. THAT it is my understanding that the Detroit Edison Company values good customer relations and considers its lamp exchange program as a symbol of the Company's desire to provide good service to our customers.

13. THAT the lamp exchange program conducted at a low cost, has been the single most important source of good customer relations.

14. THAT the lamps which are presently given to Detroit Edison customers in the lamp exchange program are specially manufactured for the Detroit Edison Company by the General Electric Company.

15. THAT the Detroit Edison Company decided to have General Electric specially manufacture lamps for exchange in order to provide our customers with a good quality bulb and that therefore lamps manufactured to Detroit Edison specifications have a 56% longer life than standard bulbs with only an 8% reduction in light output.

16. THAT the decision to have longer life lamps specially manufactured for Detroit Edison was the result of an evaluation of longer lamp life against some loss in light output, given the fact that customers have frequently requested longer life lamps.

17. THAT the Detroit Edison Company has selected an 1350 hour lamp in order to provide the best combination of lamp life and efficiency.

18. THAT I am familiar with certain surveys conducted regarding participation in the lamp exchange program.

19. THAT in 1955, a survey conducted by Central Surveys of Shenandoah, Iowa, indicated that 95% of The Detroit Edison customers surveyed made use of the lamp exchange program.

20. THAT in 1970, a survey conducted by The Detroit Edison Customer and Marketing Services Department, Marketing Aanalysis Division, indicated that the average Detroit Edison customer exchanged lamps twice per year, and that also 94% of Detroit Edison customers used the lamp exchange program. Additionally, the survey determined that 5% of our customers exchanged their lamps at agencies established in drug stores or hardware stores, and that the balance of our customers exchanged their lamps at our customer offices.

21. THAT presently there are approximately 171 different types of lamps manufactured and sold within the United States which are generally used in residences and small commercial locations.

22. THAT Detroit Edison does not exchange all of these 171 types of lamps, but rather the exchange program is limited to the exchange of 14 types of lamps: 25, 60, 75, 100, 50/100, 50/250, 150A, 200A, 100/300, 100RS, 300 IF Med, 300 KF Mox, 500, 750 BP, 1000 BP.

23. THAT the Detroit Edison exchange program within the geographical area in which Detroit Edison provides electrical energy accounts for about 50% or less of all such lamps purchased or supplied within this area and that if a comparison were made which included fluorescent and high intensity discharge lamps, then Detroit Edison's incandescent exchanges represent only about 23% of the total sold or supplied with The Detroit Edison service area.

24. THAT the lamp exchange program was and has been continued to fill the growing needs of Detroit Edison customers as well as to foster good customer relations, and that the lamp exchange program has proven itself to have a very high customer relations value.

25. THAT, furthermore, and in conclusion, to the best of my knowledge there has never been any intent on the part of The Detroit Edison Company to monopolize the sale or exchange of lamps within its service area, and that the sole factors which initiated and increased the lamp exchange program were (1) a matter of tradition, and (2) a matter of public relations, (3) as well as providing for increased customer service.

AND FURTHERMORE, Affiant sayeth not.

(s) William R. Milby (L. S.)

• • •

DEFENDANT'S ANSWERS TO PLAINTIFF'S FIRST SET OF WRITTEN INTERROGATORIES

(Filed November 6, 1973)

INTRODUCTION

Many of the requests for documents, materials, and information contained in the Plaintiff's Interrogatories involved materials too voluminous to be attached to these answers. Others required an examination of voluminous business records. The burden of deriving or ascertaining the

information sought in said interrogatories is substantially the same for the Plaintiff as it is for the Defendant. Therefore, Plaintiff will be afforded a reasonable opportunity to examine and inspect such records and make copies thereof.

Such materials and information to be available as specified above and as more particularly set forth in the answers to individual interrogatories will be made available for inspection and copying at the offices of The Detroit Edison Company, 2000 Second Avenue, Detroit, Michigan 48226, or at Detroit Edison's district offices as indicated, on reasonable notice, during regular business hours.

INTERROGATORY #1: State the name and location of all of Detroit Edison's light bulb distribution centers, offices, branches or agents during the four (4) year period prior to July 6, 1973?

ANSWER: A list of all said centers, offices, agents and branches as of July 6, 1973 is attached hereto as Exhibit "1". In regard to those centers, offices, agents and branches existing during the four (4) year period prior thereto, records are available indicating this information by individual district at each of the following district offices indicated:

Detroit-Wayne — 300 Washington Blvd., Detroit
Ann Arbor — 401 S. Main Street, Ann Arbor
Monroe — 111 E. First Street, Monroe
Thumb Area — 600 Grand River Street, Port Huron
Macomb — 74 S. Gratiot Avenue, Mt. Clemens
Oakland — 220 E. Merrill Street, Birmingham

(a) State the quantity (by size and type of bulbs) distributed by each of said centers, offices, branches or agents to general service customers for the period commencing July 6, 1969 to July 6, 1973, and state a yearly breakdown for each location?

ANSWER: It is not possible to break down the quantities distributed by each center, office, branch or agent by size or type of lamps. Certain information of this nature

may be obtained only from the examination of voluminous records maintained at the aforementioned district offices. Such records will be made available to Plaintiff at such offices upon reasonable notice during regular business hours.

(b) Identify the manufacturers of the bulbs distributed by Defendant in the named period?

ANSWER: The manufacturers of bulbs distributed during said period are as follows:

1. General Electric Company
2. Westinghouse Electric Company
3. Sylvania Electric Products Company

(c) State whether or not the bulbs distributed by Defendant to its customers differed in quality from standard incandescent bulbs regularly manufactured by the manufacturing concerns as listed in your answer to question 1(b), supra, for residential usage?

ANSWER: Detroit Edison lamps are generally of the same quality as standard incandescent lamps regularly manufactured for residential usage by the suppliers listed in answer to Interrogatory (b), with the following exceptions: Standard lamps generally have a life of 750 hours. The lamps used in Detroit Edison's exchange program have a life of 1,350 hours, however, lumen output of Edison lamps is approximately 8% less than standard lamps.

(d) If your answer to paragraph 1(c), supra, is in the affirmative, please describe each difference in detail?

ANSWER: See answer to 1(c).

INTERROGATORY #2: State whether or not Edison maintains records of the names and addresses of those general service customers who obtain light bulbs from Defendant?

ANSWER: Edison does not maintain such records.

(a) If the answer to Interrogatory #2, supra, is in the

affirmative please state for what periods of time said records are maintained?

ANSWER: Not Applicable.

(b) If the answer to Interrogatory #2 is in the affirmative, state how and where such information is maintained?

ANSWER: Not Applicable.

(c) If the answer to Interrogatory #2 is in the affirmative, state what type of information is maintained; and by way of example (without limitation upon the generality of the foregoing) does such record or records contain information with respect to the number of bulbs obtained by each customer with respect to the names of distributors from whom obtained, with respect to source of such bulbs, with respect to the size and type of bulbs obtained, or with respect to the periods of time for which such bulbs were obtained? Please attach copies of typical media (including photos of cathode ray or similar output) containing such information?

ANSWER: Not Applicable.

INTERROGATORY #3: Please state the names and addresses of the persons, firms or suppliers from whom Edison purchased for distribution to its general service customers, incandescent light bulbs for the period beginning July 6, 1969 through July 6, 1973?

ANSWER: Purchases of incandescent lamps were made from the following suppliers.

General Electric Company
15135 Hamilton
Highland Park, Michigan 48203

Westinghouse Electric Company
21610 Meyers Road
Oak Park, Michigan 48237

Sylvania Electric Products Company
10800 Ford Road
Dearborn, Michigan 48126

(a) State the quantity of each type and size bulb purchased from such supplier for the named period for distribution to general service customers?

ANSWER: The information from which the answer can be derived will be made available to Plaintiff as set forth in the Introduction.

(b) With regard to bulbs purchased for distribution to general service customers, state the prices paid by Edison to each supplier for each size bulb, giving the date of said payment and the quantity of each type bulb purchased for the named period?

ANSWER: Prices paid to each supplier for each size bulb are set forth in Exhibit "2" attached hereto. The information from which the balance of the answers can be derived will be made available to Plaintiff as set forth in the Introduction.

(c) State whether or not Edison received any price discount, rebate or credit of any kind with respect to its purchases of bulbs for distribution to general service customers from any of its suppliers from the period July 6, 1969 to July 6, 1973?

ANSWER: Yes.

(d) If the answer to Interrogatory 3(c) is in the affirmative, state the amount, the date, the supplier and the basis upon which each said discount, rebate or credit was determined?

ANSWER: See Exhibit "3" attached hereto. Copies of such material are available for inspection and copying as set forth in the Introduction.

INTERROGATORY #4: Attach as Exhibits, copies of all of Edison's advertisements which discuss the light bulb

program for the period beginning July 6, 1969 through July 6, 1973?

ANSWER: Detroit Edison's Lamp Exchange Program has never been the single feature of any specific advertisement. Certain radio advertisements, brochures and special letters designed to acquaint new and existing customers with Edison's customer service policies including the lamp exchange program were distributed during the period beginning July 6, 1969 through July 6, 1973.

(a) State how each advertisement was utilized, for example, whether it was mailed to each general service customer, and if so the date that it was so mailed and whether or not it was included in any mailing to the customer with his regular bill?

ANSWER: See Answer to Interrogatory #4.

INTERROGATORY #5: Please attach as Exhibits all general service rate filings made by Edison which evidence or show the amount of expense allocated to the light bulb program for the years 1967, 1968, 1969, 1970, 1971, 1972 and 1973?

ANSWER: During the period (1967-1973), The Detroit Edison Company has had the following general rate cases:

MPSC #	TEST PERIOD
U-3189	12 mos. ending 12/31/68
U-3697	12 mos. ending 7/31/70
U-3910	12 mos. ending 6/30/71
U-4257	12 mos. ending 9/30/72

All work papers and other materials used in the preparation of these findings will be available to Plaintiff pursuant to the Introduction thereto.

INTERROGATORY #6: State separately for the years 1967 through July, 1973 Edison's cost per year with respect to the light bulb program including the following:

(a) The cost of bulbs purchased excluding rebates, discounts or credits?

ANSWER: Such costs are not segregated. Information and materials from which the information can be ascertained will be made available to Plaintiff pursuant to the Introduction to the Interrogatories.

(b) The cost of bulbs purchased minus rebates, discounts and credits?

ANSWER:

1967	$1,699,874
1968	$1,896,643
1969	$1,944,148
1970	$2,134,634
1971	$2,265,311
1972	$2,363,328
1973 (7 months)	$1,107,290

(c) Advertising expense?

ANSWER: None.

(d) Distribution costs? State separately amounts paid to bulb agents?

(e) Accounting costs?

(f) Administration expenses?

(g) Itemized miscellaneous expense?

ANSWER: These expenses are included in various functional accounts and are not specifically segregated.

INTERROGATORY #7: State the amount of inventory of incandescent bulbs allocated to general service customers currently on hand (September 15, 1973)?

ANSWER: Total inventory on hand as of June 19, 1973 was 1,307,601 lamps.

(a) Please state the anticipated length of time that said inventory will meet the demands of general service customers?

ANSWER: This is approximately a one month supply.

INTERROGATORY #8: State the names of the officers of Edison who are the most familiar with the light bulb program and with respect to each state the place where their office is maintained?

ANSWER: The names of Detroit Edison officers who are most familiar with the Lamp Exchange Program are as follows:

George L. Lahodny — Executive Vice President
Customer & Marketing Services
Department — 383 WCB

Paul A. Duker — Vice President
Customer & Marketing Services
Department — 383 WCB

William R. Milby — Assistant Vice President
Customer & Marketing Services
Department — 383 WCB

Robert W. Lundgren — Vice President
Purchase and Real Estate
Department — 483 WCB

INTERROGATORY #9: Please attach as exhibits any and all orders of the Michigan Public Service Commission or any other Michigan agency or commission, which gives, grants or states approval of the current method of marketing light bulbs to general service customers?

ANSWER: The information requested will be made available to Plaintiff pursuant to the procedures in the Introduction.

INTERROGATORY #10: Please attach as Exhibits a copy of the Charter, License, Permit or Grant of Authority issued by the Michigan Public Service Commission, or by any other commission or agency of the State of Michi-

gan, which licenses Edison to conduct business in the territory described in the Complaint as a public utility?

ANSWER: The information requested will be made available to Plaintiff pursuant to the procedures in the Introduction.

INTERROGATORY #11: State the caption, dates of filing, the name of the court, and the case number of any and all other lawsuits previously filed?

(a) Attacking the legality of any aspect of the light bulb program?

(b) Alleging Edison's light bulb program to be a violation of the Sherman or Clayton Act or any other State or Federal anti-trust law?

ANSWER: CHARLES GILL, *et al* vs.
THE DETROIT EDISON COMPANY
Wayne County Circuit Court
73-230257-CZ
Filed: February 22, 1973

INTERROGATORY #12: Please state the reason why the light bulb expense is included under the caption, "customer installation expense" (this is believed to be account number 587) in rate filings made by Edison?

ANSWER: FPC — CUSTOMER INSTALLATIONS EXPENSES

"This account shall include the cost of labor, materials used and expenses incurred in work on customer installations in inspecting premises and in rendering services to customers of the nature of those indicated by the list of items hereunder,"

Labor:

Item 5 — Installing, removing, renewing, and changing lamps and fuses.

Materials and Expenses:

Item 11 — Lamp and fuse renewals.

All accounting procedures are set up pursuant to procedures established and required by the Federal Power Commission. The foregoing is taken from FPC directions.

(a) For how many years was the light bulb program expense carried under the heading "customer installation expense"?

ANSWER: Since the inception of the above indicated classification of accounts by the FPC in 1937 — 36 years.

(b) Please state the name and dates of all previous accounts under which the expenses of the light bulb program was included in rate filings?

ANSWER: All of the accounts are Customer Installation expenses.

1961 — to date	587	FPC Classification
1937 — 1960	762.2	FPC Classification
Prior to 1937	44 B1	DE Classification

INTERROGATORY #13: Please state whether or not the Defendant, Edison, ever received any opinion of in-house counsel as to whether or not the light bulb program violated any of the anti-trust laws of the State of Michigan or of the United States? If such opinion was written, attach a copy of it to your answer? If such opinion was oral, please state the date of such report and by whom and to whom it was given?

ANSWER: No.

INTERROGATORY #14: What is the criteria for selection of light bulb distribution agents or centers, convenience of customers and location? Are there any territorial divisions with respect to such agents or centers?

ANSWER: Customer convenience generally determined by location. No territorial divisions.

INTERROGATORY #15: State whether or not general service customers ever had an option to pay a rate which did not include a charge for incandescent light bulbs?

ANSWER: An examination of interrogatories 15, 16 and 17 indicates a confusion on the part of Plaintiff in regard to the difference between "general service" customers and "domestic" customers. The distinction between the two classifications is as follows: There are two rate classes for commercial customers, "general service" and "large general service." The "domestic" rate class includes all residential customers. Therefore, with this explanation, and in the belief that the Plaintiff has used "general service" in interrogatories 15, 16 and 17 to mean "domestic," the following answers are given:

General Service — Yes.
Domestic — No.

INTERROGATORY #16: If your answer to Interrogatory 15, supra, is in the affirmative, please state the date on which the program was changed and the reason for such change?

ANSWER: See Answer #15 above.

INTERROGATORY #17: Please state whether or not commercial customers of Edison pay a rate for electric current which includes a charge for light bulbs?

ANSWER: Detroit Edison has two rate classes for commercial customers, General Service and Large General Service. Approximately as of August, 1973, 111,500 customers purchased electricity on the General Service Rate, and 5,500 commercial customers purchased service on the Large General Service Rate. Incandescent lamp exchange service is available to customers served on the General Service Rate. Lamp exchange service is *not* available to Large General Service commercial customers.

(a) If your answer to the above is negative, please state how a commercial customer can receive incandescent light

bulbs from the Defendant. Attach copies of all forms utilized for these purposes?

ANSWER: Large general service customers may purchase incandescent lamps from Detroit Edison if they so desire. DE Form in Exhibit "5" is used only to release lamps from stock.

(b) State the amount charged to commercial customers for the purchase of incandescent light bulbs from Detroit Edison?

ANSWER: The prices at which large general service customers may purchase lamps are shown in Exhibit "5".

INTERROGATORY #18: During the period commencing July 6, 1969 through July 6, 1973, please state the number of customers who obtained light bulbs pursuant to the light bulb program?

ANSWER: Detroit Edison does not maintain a statistical list on the number of customers who obtained light bulbs pursuant to the Lamp Exchange Program, nor is data available for the half year periods suggested.

INTERROGATORY #19: Has Edison ever conducted or caused to be conducted any studies with respect to the use of the bulb service, or with respect to the amount of usage of such service, or with respect to the cost of such service? If so, when and by whom were such studies conducted?

ANSWER: In May of 1970, a survey on the use of customer offices was conducted by the Market Analysis Division of Detroit Edison. In January, 1955, a survey was made by Central Survey Incorporated of Shenandoa, Iowa, to determine customer attitudes.

INTERROGATORY #20: If your answer to Interrogatory 19 is in the affirmative, please attach all reports, writings, presentations, notes, charts, computations or other written matter containing, describing or referring to such studies?

ANSWER: Such information may be obtained as indicated in the Introduction hereto.

INTERROGATORY #21: State whether or not there are any limits or restrictions on general service customers with respect to:

(a) The size or quantity of bulbs?

ANSWER: General guidelines for the quantity of lamp bulbs available on our Edison Exchange Program are shown in the attached Exhibit #4 Customer Relations Routine Instruction B-101, Page 6 as indicated on this exhibit.

(b) Proof of the customers entitlement to receive bulbs?

ANSWER: The proof of entitlement for the lamp exchange transaction is generally the presentation of a current electric bill indicating the needed KWHR information. The absence of an electric bill, by itself is never sufficient reason to refuse to exchange lamps. Some identification by name and address easily confirmed from our customers records is an acceptable substitute. In certain instances involving General Service customers, usually chain stores, apartments and office buildings, a letter on the customer's stationery authorizing an employe to exchange lamps is encouraged.

(c) With respect to the return of used bulbs?

ANSWER: Normally, customers exchange lamps on a 1 to 1 basis with the return of used burned out lamps. Reasonable exceptions to this are frequently made at the discretion of the Customer Office Representative and when a new customer desires an initial supply of incandescent exchange list lamps.

INTERROGATORY #22: Does Edison market or sell any incandescent bulbs to general service users other than those distributed through the so-called "free" bulb program?

ANSWER: Detroit Edison sells certain specialty lamps through its customer offices.

INTERROGATORY #23: Does Edison, or can it, estimate on a periodic basis the amount of electric energy consumed through the use of incandescent light bulbs by:

(a) All of its customers?
(b) Its general service users?

ANSWER: Detroit Edison does not make such estimates. As to whether Detroit Edison can make such estimates, Edison officials have not yet been able to determine a reliable formula upon which such estimates could be made and, furthermore, such information is not relevant to this lawsuit.

INTERROGATORY #24: Does Edison, or has it, marketed, sold or distributed any other service, product or goods through any of the centers, distribution points or agents who distribute its light bulbs? If your answer is in the affirmative, please state and describe such service and goods as are marketed through these centers?

ANSWER: Detroit Edison customer offices listed in Interrogatory #1 normally handle all customer business activities. These include bill payments, on the spot domestic portable appliance repair, accepting domestic and commercial portable appliances for shop repair, answering billing inquiries, lamp exchange and all other customer business functions incident to the relationship of the Company to its customers.

In the past years, ranges, dryers and water heaters and certain domestic portable appliances were sold to our customers through customer offices. Several years ago the sale of domestic portable appliances was discontinued. Earlier this year, the sale of major appliances was discontinued except for the disposition of electric water heater inventories expected to be fully depleted by about October 15, 1973. After this date, no merchandise except the specialty lamps described in Interrogatory #22 and the sale of incandescent lamps on the Exchange Program to commercial customers described in Interrogatory #17 will be sold through Edison customer offices.

INTERROGATORY #25: Has the light bulb service program ever been discussed at meetings of the Board of Directors of Detroit Edison?

(a) If so, please state when and attach those portions of the minutes of those meetings which discuss the program during the period from July 6, 1969 to July 6, 1973?

ANSWER: A search of the minutes of Detroit Edison Board of Directors meetings did not disclose any reference to the Lamp Exchange Program during the period from July 6, 1969 to July 6, 1973.

INTERROGATORY #26: Is there a committee in upper management at Edison which deals with the light bulb distribution program?

(a) If so, what is this committee called?

(b) What is the membership of that committee at the present time?

(c) What has the membership of the committee been for the last five years?

(d) When and where does the committee meet?

(e) Are any minutes kept of its meetings?

(f) If no minutes are kept, are any informal memoranda or documentation of these meetings kept?

(g) If either minutes or informal memoranda are kept with respect to said committee meeting, please attach copies to your answers to these interrogatories?

ANSWER: There is no special committee of upper management at Detroit Edison which deals primarily with the Lamp Exchange Program.

INTERROGATORY #27: Are there any intra-company directives issued with regard to light bulb distribution?

(a) Has any such directive been issued during the period from July 6, 1969 to July 6, 1973?

(b) Are there any directives or memorandum issued to light bulb distribution agents?

(c) Were any such intra-company directives or memorandum issued to light bulb distribution agents for the period of July 6, 1969 to July 6, 1973?

(d) Please attach copies of any directives so issued in the stated period?

ANSWER: The only intra-company directive relative to lamp distribution is B-101, attached hereto as Exhibit "4".

INTERROGATORY #28: Do you have in your possession any price lists issued by light bulb manufacturers setting forth the price of light bulbs?

ANSWER: Yes.

INTERROGATORY #29: Does Edison have any contracts with light bulb manufacturers to supply light bulbs to Detroit Edison?

ANSWER: Yes.

(a) If so, please state the names of the manufacturers with which Edison has or has had such contracts?

ANSWER: Purchase contracts have been in effect with the following manufacturers.

1. General Electric Company
2. Westinghouse Electric Company
3. Sylvania Electric Products Company

(b) Attach a copy of all contracts with manufacturers

for the supply of light bulbs for the last four (4) years and with respect to each state:

(1) Who negotiated these contracts for Detroit Edison?

ANSWER: Said purchase orders for each period are available for inspection as indicated in the Introduction hereto.

INTERROGATORY #29(b)(1):

ANSWER: Contracts were negotiated by the following Detroit Edison buyers.

Years 1969 and 1970 — Robert L. Brown
Years 1971, 1972 and 1973 — Donald J. Carrier

(2) Who negotiated these contracts for the various manufacturers named herein?

ANSWER: Manufacturers' lamp contract negotiations were conducted by the following:

General Electric Company
Mr. Todd Bower
Years (1969-1973)

Westinghouse Electric Company
Mr. W. Johnson
Years (1969-1970-1971)
Mr. W. Sheehy
Years (1972-1973)

Sylvania Electric Products Company
Mr. W. Davis
Years (1969-1973)

STATE OF MICHIGAN

ss.

COUNTY OF WAYNE

CHRISTOPHER C. NERN, being first duly sworn, on oath, deposes and states that he is one of the attorneys for Detroit Edison Company in this proceeding; that he is authorized to make the preceding responses to written interrogatories on its behalf; that the foregoing answers set forth or information as is available to Detroit Edison Company is in accordance with the requirements of the Federal Rules of Civil Procedures, obtained under his direction and supervision; and that the foregoing answers are true and correct to the best of his knowledge, information and belief.

(s) Christopher C. Nern

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STIPULATION AS TO SEPARATION OF ISSUES TO BE DETERMINED ON DEFENDANT'S MOTION FOR SUMMARY JUDGMENT
(Filed January 11, 1974)

NOW COME the parties hereto by their respective counsel, and stipulate and agree that the issues to be considered and determined by the Court on Defendant's Motion for Summary Judgment, dated November 1, 1973, shall be separated for purposes of discovery, briefing, and decision that only the following issues shall now be briefed and argued, to wit:

Whether or not Defendant Detroit Edison Company's (Edison's) method of marketing certain light bulbs, as described in Plaintiff's Complaint, is exempt from the application of the Sherman and Clayton Acts, as proposed by Edison on pages 4-10 of the Defendant Edison's memorandum in support of its motion for Summary Judgment.

The parties hereto further stipulate and agree that the Court should consider in determining the issue set forth

above, only the Affidavits of Ronald Daniels and William Milby and pages 1-10 of Defendant's Memorandum in Support of its Motion for Summary Judgment, and such memorandum, evidence, and argument, relative to that issue that may be filed by Plaintiff and/or Defendant in support or in opposition.

In the event that Edison is denied its Motion for Summary Judgment on the issue herein stated Plaintiff and Defendant shall be entitled to additional discovery and to submit additional evidence, memorandum, and argument to the Court in opposition and in support of the remaining grounds for Summary Judgment set forth in Edison's Motion for Summary Judgment within such times as the Court may direct.

LAWRENCE CANTOR, d/b/a Selden Drugs Co., Individually and on Behalf of all other retail sellers of light bulbs similarly situated
By: (s) Michael L. Sklar

THE DETROIT EDISON COMPANY
By: (s) Jerry S. Cohen

January 11, 1974

AFFIDAVIT OF DAVID L. NELSON IN OPPOSITION TO MOTION FOR SUMMARY JUDGMENT
(Filed March 11, 1974)

STATE OF MICHIGAN

ss.

COUNTY OF OAKLAND

David L. Nelson after having first been duly sworn deposes and says that he is one of the attorneys for the Plaintiffs in the instant action as shown by the files and records in this cause. Further, in opposition to Motion for Summary Judgment herein Deponent states to this Honorable Court as follows:

1. That the Deponent has made an inquiry in person at the offices of the Michigan Public Service Commission in Lansing, Michigan with respect to the question of whether or not there have ever been any hearings conducted at the Michigan Public Service Commission specifically concerning the light bulb program operated by the Detroit Edison Company described in the Complaint herein. These inquiries were made on October 18, 1973 and again on October 25, 1973.

2. In addition Deponent has participated in this proceeding, preparing the Interrogatories that have been filed, examining the Answers to Interrogatories that have been filed, examining the documents that have been furnished by the Defendant herein in further response to the Interrogatories and has participated in discovery conferences with Plaintiff's attorneys. Deponent has participated in all depositions that have been taken in this matter with respect to the Motion for Summary Judgment.

3. Based upon examination of the files and records exhibited to him by personnel of the Michigan Public Service Commission, including Mr. Frank E. Van Camp in the regulation section and Mr. Edwin Carlson in the accounting department at the Michigan Public Service Commission, and based on the discovery herein, Deponent states upon his information and belief that there have never been any proceedings before the Michigan Public Service Commission or its predecessors specifically concerning the light bulb program of the Detroit Edison Company (of which there is any record) in which any testimony, exhibits, findings of fact or conclusions of law were considered or determined with respect to the issue of whether or not any need exists for the Detroit Edison light bulb program. Similarly on the same investigation and discovery it is Deponent's information and belief that there are no proceedings in which documents have been filed with or considered by the Michigan Public Service Commission, or any of its predecessors concerning the question of whether Detroit Edison should be treated differently as an electric utility from any other electric utility in the State of Michigan with respect

to whether or not they should have or maintain an electric light bulb program.

4. Further, as a result of these investigations at the Michigan Public Service Commission and participation in discovery in this matter, Deponent, upon his information and belief states that the only electric utilities in the State of Michigan which have an electric light bulb program (whereby a charge for the bulbs is made in the rates, and bulbs may be picked up without any further charge at offices of the utility) consist of the Detroit Edison Company, the Lansing municipally owned electric utility, and Consumers Powers Co. in the city of Pontiac only. Deponent on information and belief states that at one time the city of Grand Rapids had a program similar to that of the Detroit Edison Company but believes that said program in Grand Rapids has now been discontinued and that the electric utility in the city of Grand Rapids (Consumers Power Company) distributes bulbs at a discounted price to its electric users.

5. In the investigation conducted by the Deponent at the Michigan Public Service Commission in Lansing Deponent attempted to determine if there were any hearings at all where testimony or evidence was taken at either the Michigan Public Service Commission, or any of its predecessors, concerning any change in the rate sheets of the Detroit Edison Company with respect to the description of the light bulb program therein contained. The only matters that have come to Deponent's attention or knowledge as a result of this investigation and as a result of the discovery conducted in this cause are the following matters:

A. That rate sheets are on file at the Commission (see group Exhibit 1 to Plaintiff's Memorandum).

B. That Exhibit 9 to Plaintiff's Memorandum, a spread sheet, was given to the MPSC in 1972 having on it two line items of bulb program expense.

C. That the MPSC periodically audits Edison's books and records in Detroit as to all of its receipts and expenses.

D. That in an order of the Commission in Case No. U-1791 (Answer to Interrogatory 16) the lamp renewal program was referred to in a rate case where Edison asked to reduce its rates.

6. That in addition Deponent has discussed this matter with Mr. Edwin Carlson of the accounting or audit section of the Michigan Public Service Commission in Lansing, Michigan for the purpose of ascertaining what schedules of accounting data or other financial figures have ever been submitted to the rate department of the Michigan Public Service Commission in Lansing showing the complete cost, as segregated from other expenses of the Detroit Edison Company, pertaining to the light bulb program. Based upon this investigation Deponent is informed and believes the fact to be that no separate, segregated schedule of all of the light bulb expenses that have been and are being incurred by Detroit Edison in regard to the lamp exchange program have been filed with or prepared by the Michigan Public Service Commission, except the one document that developed in discovery in this cause which is known as Exhibit 9 and identified in the deposition of Mr. Daniels as being Exhibit 3. Deponent believes and upon his information and belief states the fact to be that the reference to cost of the lamp exchange program set out in Exhibit 9 does not include any charges of costs incurred with respect to the ownership or maintenance of the buildings and offices from which the Detroit Edison Company disburses bulbs and that said Exhibit does not include any allocated expenses for real estate taxes, fire insurance, maintenance of the buildings, utility expense of the buildings or other expense related to the physical plant of the exchange centers.

7. Further as a result of the stated investigation at the Michigan Public Service Commission and participation in discovery herein, Deponent on information and belief states that the Michigan Public Service Commission, and its predecessors, has never issued to Detroit Edison Company a franchise, license, certificate of authority, certificate of public convenience and necessity, or any similar document

setting out or describing the right or privilege of Detroit Edison Company to deliver electricity in any particular geographic area within the State of Michigan, and that no such certificate or authority has been issued by the MPSC or its predecessors with respect to the scope of the power of Detroit Edison Company to furnish electric power in its geographic area.

(s) David L. Nelson

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AFFIDAVIT OF JACK E. MENIG IN SUPPORT OF DEFENDANT'S MOTION FOR A SUMMARY JUDGMENT

(Filed March 25, 1974)

STATE OF MICHIGAN
ss.
COUNTY OF WAYNE

I, JACK E. MENIG, being first duly sworn, depose and say as follows:

1. THAT I am the Franchise Coordinator of the Civic and Community Affairs Department of the Detroit Edison Company.

2. THAT I have been employed by The Detroit Edison Company since 1935, and for the past 29 years, I have spent my time exclusively on franchise matters and franchise renewals.

3. THAT my duties as Franchise Coordinator involves the renewing of franchises in all townships, villages and cities within The Detroit Edison Company service area according to Public Act 106 of the Public Acts of 1909, as amended, and Article 7, Section 29 of the Michigan State Constitution of 1963.

4. THAT these duties entail meetings with the local legislative bodies in order to inform them of the franchise

necessities both in terms of the election law and the duration of the current existing franchise.

5. THAT additionally, my duties include an examination of the confirmation of the votes of the electorate for each franchise election, as well as the monitoring of all franchises.

6. THAT in said meetings with local legislative bodies, I have provided information regarding the service to be provided by The Detroit Edison Company, and have answered questions regarding, the rates, charges and conditions of service by indicating that these matters are under the authority of the Michigan Public Service Commission.

7. THAT I am well familiar with and have reviewed the contents of all currently existing Detroit Edison Company franchises.

8. THAT there are three different types of franchises currently existing for The Detroit Edison Company within its service area, that is, a perpetual franchise, a franchise for the life of the grantee and a franchise for either twenty or thirty year durations in order to comply with city charters.

9. THAT with respect to the rates, charges and conditions of service, the various franchises have since 1950 contained uniform language which is as follows:

> "Sec. 3. In consideration of the granting of this franchise, Grantee agrees that its rates and charges for electric service in the ..... of ..... shall not exceed its rates and charges for like service elsewhere in its service area, evidenced by its uniform rate schedules at the time on file with and approved by the Michigan Public Service Commission."

10. THAT in addition to this language, franchises enacted since 1961 contain the following additional language:

> "It is understood that the grantee is subject to regulation by the Michigan Public Service Commission, and that any order, rule or regulation by that Commission, or its successor, will prevail over any regulation herein contained or provided for in case of conflict."

11. THAT some franchises secured or renewed prior to 1950 contained a provision which required rates and charges to be the same as those in effect within the City of Detroit, but that all rates, charges and conditions of service within the City of Detroit are now and have since 1913 been duly authorized by the Michigan Public Service Commission.

12. THAT no provisions as to rates, charges and conditions of service exist in any current franchise other than as stated above.

13. THAT all rates, charges or conditions of service in all areas where a franchise is in effect or has been in effect since 1913 are only those rates, charges and conditions of service which have been duly authorized by the Michigan Public Service Commission.

Further, Deponent sayeth not.

(s) Jack E. Menig (L. S.)

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ORDER SETTING TIME FOR ORAL ARGUMENT OF PLAINTIFF'S MOTION FOR SUMMARY JUDGMENT

At a session of said Court held in the Federal Building in the City of Detroit, County of Wayne, State of Michigan this 27th day of March, 1974.

PRESENT: The Honorable John Feikens, District Court Judge.

The parties having stipulated for approval of this Order Setting Time For Oral Argument of Plaintiff's Motion For Summary Judgment, now then upon the joint motion of the parties hereto;

IT IS HEREBY ORDERED that Oral Argument on Plaintiff's Motion For Summary Judgment will be heard on April 22, 1974 at 2 o'clock in the afternoon.

(s) John Feikens
District Court Judge

Approved for entry:

(s) Christopher C. Nern
Attorney for Defendant
Detroit Edison Company — Legal Department
2000 Second Avenue — 688 WCB
Detroit, Michigan 48226

(s) David L. Nelson
Attorney for Plaintiffs
Sommers, Schwartz, Silver, Schwartz,
Tyler & Gordon, P.C.
1800 Travelers Tower
26555 Evergreen Road
Southfield, Michigan 48076

MEMORANDUM OPINION
(Filed July 3, 1974)

Plaintiff, the owner of a drug store, sells electric light bulbs and brings this antitrust case charging that the defendant utility company has damaged him in his business.[1] The defendant, The Detroit Edison Company, supplies residential subscribers with electric light bulbs for such homes. Plaintiff claims that this anticompetitive practice injures him since he must sell his light bulbs while defendant replaces these bulbs without charge when they burn out, and thus he contends defendant has violated both the Sherman and the Clayton Acts (more specifically, Section 2 of the

[1] The Complaint purports to be a class action suit, but no class has been certified.

Sherman Act, 15 U.S.C. § 2, and Section 3 of the Clayton Act, 15 U.S.C. § 14). Defendant has moved for summary judgment contending that it is shielded from liability under these federal statutes in that the utility is completely regulated by the Michigan Public Service Commission — that this involvement by the Commission in its business affairs constitutes "state action." It claims arguendo that it is not in violation of these statutes but that if it is in fact in violation, it is shielded from liability.

Plaintiff contends that defendant instituted the free light bulb plan for the sole purpose of increasing electrical consumption, a purely private motive, and that at best the Michigan Public Service Commission has rubber-stamped this plan. He adds that the Michigan Public Service Commission receives only sketchy data from defendant regarding this plan, that the Commission has never conducted open hearings on the light bulb program and that it does not regulate any of the administrative details of the program, such as bulb life and wattage.

Defendant argues that Michigan law gives the Commission plenary power to regulate utility companies. M.C.L.A. 460.6 provides:

> "It is hereby vested with power and jurisdiction to regulate all rates, fares, fees, charges, services, rules, conditions of service and all other matters pertaining to the formation, operation or direction of such public utilities."

Defendant says that the Commission issued its order U-3910, dated August 19, 1972, under the authority conferred upon it by this statute and that the order made "lamp supply" a mandatory service under the approved rate structure. Defendant contends that it cannot abandon that service unilaterally and that it must obtain a superseding ruling if it wished so to do. In support of this observation it cites its bulb program for commercial subscribers. Here, before issuing order U-1791 in 1964 giving to the defendant the right to discontinue this specific program, the Commission required the defendant to supply it with substantial

financial information including data on the direct costs of that plan.

Thus the question which must be decided in order to determine whether summary judgment lies is whether the defendant's light bulb program can be characterized as state activity or private activity. If this light bulb program is in law state activity, summary judgment in favor of the defendant would be appropriate since in such instances the utility would be shielded from claimed antitrust violations.

In the lead case, *Parker* v. *Brown,* 317 U.S. 341 (1942), the United States Supreme Court held that a cooperative price fixing agreement among California raisin growers did not violate federal anti-trust laws if the agreement "derived its authority and its efficacy from the legislative command of the state and was not intended to become effective without that command." 317 U.S. at 350. Cases interpreting *Parker* in the context of utility regulation have generally reached the same result. When a state agency acts affirmatively in approving rates and practices of a utility, there is no antitrust liability.

> "Our view is that the *Parker* exclusion applies to the *rates and practices* of public utilities enjoying monopoly status under state policy when their rates and practices are subjected to meaningful regulation and supervision by the state to the end that they are the result of the considered judgment of the state regulatory authority." *Gas Light* v. *Georgia Power,* 440 F.2d 1135 (5th Cir. 1971) (emphasis supplied).

This rate structure theory has been succinctly stated:

> "If its actions were occasioned by adherence to the rules and regulations of its operative tariff, then it is shielded from liability for any possible antitrust violation." *Business Aides* v. *Chesapeake Telephone,* 480 F.2d 754 (4th Cir. 1973) at 756.

See also *Allstate* v. *Lanier,* 361 F.2d 870 (4th Cir. 1966); *Marnell* v. *United Parcel,* 260 F. Supp. 391 (N.D. Cal. 1966).

Applying these principles to the case at bar, it appears that the defendant furnished the Commission with data including information on the free bulb exchange program from which the Commission derived a comprehensive schedule of rates and services. Then, after conducting its own investigation and hearings, the Commission ordered specific tariffs, making this plan mandatory for residential subscribers. Defendant cannot discontinue this light bulb program while continuing to charge the approved rate.

It also appears that under M.C.L.A. 460.6 the Commission is given continuing jurisdiction to supervise the "rates," "services" and "operation of a utility such as defendant and under M.C.L.A. 460.557 any consumer is given the right to challenge the "service rendered" in proceedings before the Commission. The court finds, therefore, that the affirmative action of the Commission in approving the rate structure and the continuing supervision of the defendant by the Commission put this case squarely within the *Parker* doctrine.

Plaintiff also contends that a state must consider the effects of a regulated practice on competition before enacting it. To this effect he cites two categories of cases: those involving large corporate mergers [*International Telephone* v. *General Telephone,* 351 F. Supp. 1153 (D. Hawaii 1972) and *U.S.* v. *Pacific Southwest Airlines,* 358 F. Supp. 1224 (C.D. Cal. 1973)], and those involving either fraud or collusive bidding [*Woods Exploration* v. *Aluminum Company of America,* 438 F.2d 1286 (5th Cir. 1971) and *Whitten* v. *Paddock Pools,* 424 F.2d 25 (1st Cir. 1970)].

The case at bar is clearly distinguishable. Despite plaintiff's allegation that defendant is "hiding" the true costs of the bulb program, this court can find no fraud of the type involved in *Woods.* Nor is this a case involving bidding of any type. The telephone and airline cases cited by plaintiff involve situations where one regulated enterprise is attempting to expand by buying or merging with another. In those cases it was necessary to evaluate the effect on competition of the proposed change. That was the central issue.

Here, defendant has already obtained a franchise to do business in every municipality in which it operates, and M.C.L.A. 460.502 *et seq.* provides that any utility seeking to introduce new services or facilities in an area already served must first obtain a certificate of public convenience and necessity. The court agrees with plaintiff that a state should consider the effects on competition of facilities such as these. But it is the effect of the entire project which must be examined, and this is done in proceedings involving franchises and certificates of convenience. Neither statute, case law nor common sense requires the state to scrutinize each small facet of a comprehensive scheme for its effect on competition. And certainly the court should not step in when the Commission has not even been approached by plaintiff.

Defendant's motion for summary judgment is hereby granted.

An appropriate order may be submitted.

(s) John Feikens
United States District Judge

Dated: Detroit, Michigan
July 2, 1974

ORDER GRANTING DEFENDANT'S MOTION FOR SUMMARY JUDGMENT

At a session of said Court held in the Federal Building, City of Detroit, State of Michigan, this 21st day of August, 1974.

PRESENT: The Honorable John Feikens, District Judge.

This matter having come on for hearing upon Motion of Defendant Detroit Edison Company for Summary Judgment; the parties having stipulated that such Motion be initially limited to the "state action exemption" issue; the parties having filed affidavits, depositions, exhibits and briefs on such issue and the Court having heard oral argument thereon; the Court being fully advised in the premises and having rendered a written opinion on July 2, 1974; in accordance therewith:

IT IS ORDERED AND ADJUDGED, that the Defendant's Motion for Summary Judgment be, and the same hereby is, GRANTED, and that judgment be, and the same hereby is, ENTERED in favor of the above-named Defendant.

(s) John Feikens
District Court Judge

Approved for Entry:

(s) David L. Nelson
Attorney for Plaintiff

(s) Thomas P. Bingman, Jr.
Attorney for Defendant

NOTICE OF APPEAL TO THE SIXTH CIRCUIT COURT OF APPEALS FROM THE ORDER OF THE DISTRICT COURT GRANTING DEFENDANT'S MOTION FOR SUMMARY JUDGMENT

(Filed August 29, 1974)

Notice is hereby given that LAWRENCE CANTOR, d/b/a SELDEN DRUGS COMPANY, individually and on behalf of all other retail sellers of light bulbs similarly situated, Plaintiffs herein, hereby appeal to the United States Court of Appeals for the Sixth Circuit from the final judgment and Order of the District Court designated, "Order Granting Defendant's Motion for Summary Judgment" which Order is dated August 21, 1974 and was entered on August 22, 1974.

Dated at Southfield, Michigan this 29th day of August, 1974.

By: (s) David L. Nelson
Attorneys for Plaintiff

Fohrman, Lurie, Holstein, Sklar
& Cottle, Ltd.

Boehm and Weinstein

ORDER
(Filed April 23, 1975)

BEFORE: PECK, McCREE and LIVELY, Circuit Judges.

The appeal from summary judgment for appellee in an anti-trust action alleging that appellant, who sells incandescent light bulbs at retail, has been injured by Detroit Edison's practice of furnishing to residential customers light bulbs as well as electric energy for a single monthly rate having come on to be heard on the record on appeal and upon the briefs and oral argument of counsel;

And it appearing that in the posture of the case submitted on motion there was no genuine issue as to any material fact and that a question of law was properly before the district court for determination;

And it appearing that the district court correctly followed the applicable precedents in concluding that the affirmative action of the Michigan Public Service Commission in approving appellee's rate structure that provides for the distribution of light bulbs and its continuing supervision of appellee brings the challenged practice within the doctrine of *Parker* v *Brown,* 317 U.S. 341 (1943);

Upon consideration, it is ORDERED that the judgment be, and it hereby is, AFFIRMED for the reasons stated in the memorandum opinion of the district court filed July 3, 1974.

Entered by order of the court

(s) John P. Hehman
Clerk

EXCERPTS FROM TRANSCRIPTS OF DEPOSITIONS

Deposition of Lawrence Cantor

• • •

(4)

LAWRENCE CANTOR, having been first duly sworn by the Notary Public, was examined and testified as follows:

CROSS EXAMINATION
By Mr. Cohen:

Q. May I have your full name, please?
A. Lawrence Cantor. No middle name.
Q. What is your home address, Mr. Cantor?
A. 29312 Summerwood, Farmington.
Q. You operate a business?
A. Yes, sir.
Q. What is the name of the business?
A. Selden Drug. That is spelled S-e-l-d-e-n.
Q. What is the nature of it? Sole proprietor, corporation?
A. Sole proprietor.
Q. Are you the sole proprietor?
A. Yes.
Q. Are you the only one that has any interest in Selden?
A. Yes, I am.
Q. How long have you operated Selden Drug Company?
A. Since December 18, 1961.

(5)

Q. Where is it located?
A. At 3900 Second Avenue.

Q. What is the nature of the business?
A. General merchandise and prescriptions.
Q. This is at a retail level?
A. Yes, sir, retail.
Q. Approximately what was your net profit last year? By "last year" I mean the last fiscal year in which you operated.
A. You are asking me what I paid income tax on?
Q. Just what your net is. I am not going to inquire into your income tax —
A. (Interposing): O.K. I don't know what "net" means.
Q. What profit did you make on the store in 1972?
A. The profit that my accountant tells me includes my salary, and he doesn't differentiate between salary and what the net for the store was. It's all one chunk and that's what I pay my income tax on.
Q. What was that amount?
A. Is that for publication?
Q. For the purposes of the deposition, yes.
MR. HOLSTEIN: It's all right.
A. O.K. I don't know exactly. I think it was about $65,000, something like that.
Q. (By Mr. Cohen, continuing): What were your gross sales in your (6) last fiscal year, approximately?
A. Over 300,000.
Q. Now, what were your gross sales for light bulbs during this same period of time?
A. I don't ring them up on a separate department because I have so many different commodities, but it should be self-explanatory by how many I bought.
Q. Let me show you a piece of paper here that apparently is in response to our notice, which has invoice dates running from 7/22/71 to 6/7/73.
A. Which was the last time; 6/7/73 was the last time I purchased light bulbs.
Q. Which has on it the invoice date, size of bulb, unit cost, quantity, and wholesale cost. Now, are these all of the light bulbs that you purchased since 7/22/71?
A. Yes, sir, to the best of my knowledge.

Q. Now, that wholesale cost comes to — is totaled here at $90.88; is that correct?
A. Yes, sir.
MR. HOLSTEIN: May I suggest for the record that we mark that as an exhibit so we know what we are referring to.
(A handwritten itemization of light bulb purchases was thereupon marked Deposition Exhibit 1 for (7) identification by the reporter.)
Q. (By Mr. Cohen, continuing): Now, let me show you Deposition Exhibit 1. Was that prepared by yourself?
A. No, not totally. It was an employee, a former employee of mine who has worked for me for about eight years, and I didn't have time to summarize it so I asked her to summarize it, and she went over the invoices and picked them up.
Q. The figures on there of your knowledge are correct?
A. Yes. They look realistic.
Q. Am I to understand that these are all the light bulbs that you — and by "you" I mean as a drug store, the Plaintiff in this suit — have purchased since 7/22/71 for resale in your store? Is that correct?
A. Virtually. Some could have sneaked in from another supplier, but it would be minimal. If there are any — These are incandescent bulbs. Now, I also buy neon tubes for store use. These are all for resale.
MR. HOLSTEIN: Just answer the question. Just confine yourself to that.
Q. (By Mr. Cohen, continuing): Do you know of any other purchases for resale other than those listed in Deposition Exhibit 1 since 7/22/71?
MR. NELSON: Of what?
MR. COHEN: Of light bulbs.

(8)

A. Would you repeat the question?
Q. (By Mr. Cohen, continuing): Do you know of any other purchases of light bulbs by yourself for resale other than those listed in Deposition Exhibit 1 since 7/22/71?
A. No.

Q. Now, from whom were these bulbs purchased?
A. National Wholesale Drug.
Q. What is the make of the bulbs?
A. They are mixed. Sometimes they are Sylvania and sometimes they are G.E.
Q. Do you designate to your wholesaler which manufacturer's bulbs you desire?
A. Not usually.
Q. Do you do it at any time?
A. On the incandescent bulbs —
Q. (Interposing): Yes.
A. No.
Q. In other words, when you place an order, you just tell your wholesaler you want so many bulbs of a certain size, is that correct?
A. Yes.
Q. And he supplies you with those bulbs?
A. That's right.
Q. Do you have any agreements with your wholesalers, any written (9) agreements regarding bulbs?
A. No.
Q. Do you have any written agreements with either Sylvania or General Electric regarding bulbs?
A. No.
Q. Do you receive the bulbs on a consignment basis or do you purchase the bulbs?
A. Purchase.
Q. And how are the bulbs priced?
A. They are usually premarked with a suggested retail.
Q. What do you mean? Premarked how?
A. They are stamped with some kind of ink on the bulb itself. For example, 35¢ and a circle.
Q. Are they stamped sometime prior in point of time to the time you receive them?
A. Yes.
Q. You don't stamp anything on the bulbs yourself?
A. No.
Q. And when you sell the bulbs, do you have a section of your store in which they are kept, a specific area for the bulbs?

A. Yes, I do.
Q. And does the area in which they are placed have prices of any kind, point of purchase prices?
A. No.

(10)

Q. The only prices are on the actual bulbs themselves?
A. Yes.
Q. Now, have all the bulbs that you have sold since 7/22/71 as identified in Deposition Exhibit 1 been sold at the prices stamped on the bulbs?
A. Yes.
Q. Is there any reason why you don't sell at a different price?
A. I never thought of it.
Q. Did you ever have any discussions with your distributor regarding the prices of the light lamps, light bulbs?
A. There was never any reason to.
Q. When did you first start purchasing bulbs from National Wholesale Drug?
A. Since I started in business.
Q. You have been selling the bulbs since 1961?
A. Yes. I didn't purchase them exclusively from them.
Q. Have you ever purchased them directly from the manufacturer?
A. Never.
Q. Have you ever had any discussion with anyone at National Wholesale Drug in regard to the price at which you sell your bulbs?
A. No. Excuse me. What would you be referring to?
Q. The price of lamps. By "lamps" I mean light bulbs.
A. I don't know.

(11)

Q. Have you ever had your light bulbs on sale?
A. No.
Q. Have you ever had any other items in your store on sale?
A. Yes.
Q. Now, is there any particular reason why you have had other items and not had lamp bulbs on sale?

A. Yes. I have so few calls for them.
Q. That is the primary reason?
A. Yes. The only thing — the only time you put something on sale is to entice the customer, and what kind of enticement would it be if I cut the price on them?
Q. That is my question to you.
A. I never considered it any kind of enticement because I get so few requests for them.
Q. Has your light bulb business, to the best of your recollection, decreased or increased since 1961 when you first started selling bulbs?
A. It stays about the same.
Q. Has it stayed about the same since 1961?
A. Yes.
Q. Now, you are bringing this action, as I understand your complaint, on the basis of yourself and as a representative of a class of persons and business entities similarly engaged to yourself who are engaging in the business of selling light bulbs — (12) I am reading from your complaint now, paragraph 9 — "at retail in competition with the Defendant Detroit Edison in Edison's marketing area." Is that correct?
A. Yes.

• • •

(14)

Q. Why do you sell them at all?
A. Why do I sell them? There are requests for them. Everybody doesn't get them for free. Most people say, "Well, I get them for free." But everybody — like people come in, I try to notice who buys them or when they buy them. Sometimes somebody (15) comes in late at night, and I assume wherever they get them ordinarily, the source wasn't open; they can't go get it. And I have a lot of transients in my store who come in from down South and they buy a bulb occasionally, and so I do get occasional requests for them.
(There was a brief interruption.)
Q. (By Mr. Cohen, continuing): Now, is there any particular reason that you stock bulbs only in 75, 100, 150, 60 and 25 watts?

MR. HOLSTEIN: Just a minute. There was another question pending that he has not completed.
MR. COHEN: I am sorry. What was the previous question?
(The previous question and answer were thereupon read by the reporter.)
Q. (By Mr. Cohen, continuing): Do you want to continue that answer?
A. Yes. Mainly I don't want to disappoint good customers, and, secondly, it's nice to sell bulbs because there is a pretty good markup on it and I always hope that something will materialize with it.
Q. The markup is what?
A. It isn't a markup, actually. It's a profit, a profit margin of 33-⅓, which today is gratifying.
Q. You sell watches?

(16)

A. Yes.
Q. Timexes?
A. Yes.
Q. What is your markup on Timexes?
A. 33-⅓.
Q. You sell drugs?
A. Yes.
Q. What is your average markup on drugs?
A. How do you classify drugs?
Q. Prescription drugs.
A. I don't know what it is because we are on a fee system, not a markup system. There is a profit, but I have never figured it as a markup percentage. I can't.
Q. You sell over-the-counter drugs?
A. Yes.
Q. What is your average markup on —
A. (Interposing): In that neighborhood. I don't know if it is — I have never done a — I know what it is. A ballpark figure is 32, 30 percent to 33-⅓, unless you discount them.
Q. Do you have any substantial sales of items over 30 percent markup or margin?

A. No. That is the best I can hope for. That is a good one. That is worth shooting for.

Q. If you sold $90 worth of bulbs in approximately two years — (17) I am sorry — the wholesale cost was $90 — with a one-third markup, you would have made $30 on those bulbs, is that correct?

A. Forty-five, hopefully.

Q. Forty-five. Which figures out to about $15 a year.

A. Yes. That's why I was concerned. I am not selling any and there is a good markup on it and why can't I do something with this?

Q. When did you first become concerned?

A. Oh, a couple years ago. I started thinking about it. I met a friend who was in the lighting business.

Q. Who was your friend in the lighting business?

A. He is from Chicago and his name was Ronald Stone.

Q. What is the name of his business?

A. I think it is called Lightning Bug, Incorporated.

Q. Is he still in the business?

A. Yes, he is.

Q. And what discussion did you have with him that got you thinking about this?

A. He asked me if — he wanted to sell me some bulbs. He said, "Do you sell a lot of bulbs?" And I said, "No, I don't really sell any because there is something going on in Michigan where people don't buy bulbs from me. I have heard that people get them free, so-called, from Edison, so why should they pay any money for them?"

• • •

(19)

Q. Based on your conversation at the druggists' conventions and with your friends in the business, do you know of any retailers that sell bulbs other than at the price which is stamped on the bulbs?

(20)

A. Amongst my friends, I don't.

Q. Well, apparently, from the complaint, you are blaming your lack of sales of the bulbs on certain practices of Detroit Edison; is that correct?

A. Yes, sir.

Q. My only question to you is how do you know that your lack of sale of the bulbs is not caused by other retailers in your area selling bulbs at less than you do?

A. Well, in the past — the situation is changing, but in the past I was open hours when most other folks weren't, and in those late hours I didn't sell many bulbs then, either, and I was, like, the only one open.

Q. What time were those late hours?

A. 10:30 at night.

Q. To what time?

A. Oh, my hours were from 9:30 a.m. to 10:30 p.m.

Q. What time did the other retailers generally close?

A. Six, seven.

Q. So —

MR. HOLSTEIN (Interposing): I am going to object to the question. It has not been established here that the other retailers are selling any more bulbs than he does and in terms of the complaint —

• • •

(25)

Q. How long have you been aware of their bulb exchange program?

A. I don't know when I was first aware of it, but it seems like a long time, because my wife takes her bag and goes and gets bulbs and changes the bulbs. Probably when I first got married I went out to buy a bulb and she said, "What are you doing that for? We can get them free."

Q. Your wife made you aware of that practice, did she?

A. Yes. She said they were free.

Q. And you have availed yourself of that?

A. My wife did.

Q. Still does?

A. Yes, I think so.

Q. Do you know the kind of bulbs that are available under the Detroit Edison exchange program?

A. I know the kind of bulbs she has for exchange in a

bag at home, and they are incandescent bulbs. They are 100 watt, 150 watt. That is usually what I see in there. I guess there is some 75's or 60's, some 3-way bulbs.

Q. Have you ever personally made any effort to determine what kind of bulbs — by "kind" I mean the wattage — what wattage bulbs are available in the Detroit Edison program?

A. No. But I just knew the kind that were in her bag and she got those all there, so I know that those bulbs are supplied by Edison. Those were all there was.

(26)

Q. Pardon me?

A. I never wanted anything exotic so I never inquired.

Q. What complaints, if any, has your wife given to you or made known to you in regard to the Detroit Edison exchange program?

MR. HOLSTEIN: I am going to object. That is a privileged communication and it is irrelevant and immaterial.

MR. COHEN: It is privileged in some regard. I don't think it is privileged in this regard.

MR. HOLSTEIN: I will instruct him not to answer that.

A. Pardon?

Q. (By Mr. Cohen, continuing): He has instructed you not to answer the question. What complaints do you have in regard to the service?

MR. HOLSTEIN: Again, I object. Irrelevancy and immateriality. The question is not —

MR. COHEN (Interposing): I haven't even finished the question yet.

MR. HOLSTEIN: You said "the service." I assume you are saying "light bulb service." I am sorry. Complete your question.

Q. (By Mr. Cohen, continuing): Prior to the time you started this lawsuit, what complaints, if any, had you had from any source (27) in regard to the practices of Detroit Edison in furnishing light bulbs under their exchange program?

MR. HOLSTEIN: I object unless you qualify the question. Are you talking about retailers?

MR. COHEN: From any source.

MR. HOLSTEIN: Well, if you are talking about retailers, I think he has already answered that, and if you are talking about consumers, then I think that that is irrelevant and immaterial.

MR. COHEN: The motive for his lawsuit is not irrelevant and immaterial when you are talking about a class action case, and that is the purpose of the question.

MR. HOLSTEIN: I think he has answered as to the motive. He wants to increase his share of the market.

MR. COHEN: This is discovery. I have a right to ask the man questions in regard to anything that is relevant or could lead to information that could be relevant at the time of trial.

Q. (By Mr. Cohen, continuing): My question to you is if you had any complaints prior to the time you started your lawsuit from anybody regarding the Detroit Edison light bulb exchange program?

MR. HOLSTEIN: Again, I instruct him as to retailers, he has already answered that, and I object to the (28) question with regard to consumers, but he can answer it over my objection.

A. I just have my own complaint.

Q. (By Mr. Cohen, continuing): That is not my question. The question is, do you have complaints from any other source?

A. No.

Q. And that includes any of your customers to whom you spoke?

A. No complaints.

Q. I think you testified that you personally did not have knowledge of who the other members of the class are except people that sell light bulbs; is that correct?

A. I would assume there is a lot of those. There is no —

MR. HOLSTEIN (Interposing): That's all right. Don't — you have answered the question.

MR. COHEN: I didn't hear his answer.

Q. (By Mr. Cohen, continuing): What did you say?
A. Would you repeat the question?
MR. COHEN: No. Would you read the question back to him, please?
MR. HOLSTEIN: Read the question and the answer.
(The record was thereupon read by the reporter.)
Q. (By Mr. Cohen, continuing): Is that your full answer?

(29)

A. There's a lot of retailers that sell light bulbs.

• • •

(30)

Q. Well, we'll give you a chance to say what you want to say here. In paragraph nine you state that you bring this suit on behalf — and I am skipping two lines here — "of persons who are engaged in the business of selling light bulbs at retail in competition with the Defendant, Detroit Edison Company." To the best of your knowledge, does Detroit Edison sell light bulbs at retail?
A. No. I don't know that. I don't even know what that question meant, do they sell at retail. In light of what I — when I found out that they are putting a charge on, and it looks like it's hidden because it's never said, "This charge is for light bulbs whether you get them or not," then I don't know if they are charging me retail or not.
Q. Let me go back because you say you don't understand this. Did you read this complaint before it was filed?
A. Yes.
Q. Let me read your own language back to you again.
A. O.K.
Q. "9. Plaintiff brings this action on his own behalf and as representative of a class of persons and business entities similarly situated to the named Plaintiff who are engaged in the business of selling light bulbs at retail in competition with the Defendant Detroit Edison Company in Edison's marketing area."
A. Yes.
Q. Do you understand that paragraph?

(31)

A. Yes.
Q. My question to you is to the best of your knowledge does Detroit Edison Company sell light bulbs at retail in competition with you?
MR. HOLSTEIN: I object that he has already answered that question. You asked him that before.
MR. COHEN: The answer is no?
MR. HOLSTEIN: No, he said that they sell bulbs by virtue of the fact that — I think the question and answer speak for themselves.
MR. NELSON: I will add to the objection the fact that it calls for a legal conclusion.
MR. COHEN: Well, do you want to read back when I asked him the question previously? Then he answered it and then he went on to say that he didn't understand what I asked him. I am just trying to give the witness a chance to clarify it if he wanted to clarify it.
(The record was thereupon read by the reporter as follows:
"Q. Well, we'll give you a chance to say what you want to say here. In paragraph nine you state that you bring this suit on behalf — and I am skipping two lines here — 'of persons who are engaged in the business of selling light bulbs at retail in competition with the Defendant, Detroit (32) Edison Company.' To the best of your knowledge, does Detroit Edison sell light bulbs at retail?
"A. No. I don't know that. I don't even know what that question meant, do they sell at retail. In light of what I — when I found out that they are putting a charge on, and it looks like it's hidden because it's never said, "This charge is for light bulbs whether you get them or not," then I don't know if they are charging me retail or not.")
MR. HOLSTEIN: I think that answers your question, Mr. Cohen.
Q. (By Mr. Cohen, continuing): During the course of that answer you stated you didn't understand what I was saying. Then you gave a rather long answer. Do you understand what I was saying?

A. No. I wanted a definition from you. I wanted clarification.

Q. Clarification of what?

A. What do you mean when you use the phrase "sell at retail"? Obviously they are not doing — putting out bulbs with prices on them and selling them — and giving them to people in the conventional manner. However, if you are talking about how much profit they make, they might be making more than I make. I don't know what deal they made with their supplier. That's why I didn't know what you meant.

Q. How do you mean "at retail" in paragraph nine of your complaint?

A. You are saying that you set them in your store or you set them (33) in your place and people come in and request them, and I bought them and I sell for a third profit at the customer's request. Well, obviously, I know that Detroit Edison does not have a retail front of that sort. So I would say "no" to that question. But if you are alluding to the fact about their profits or what they do, they do better as far as I am concerned with their program than I am doing with mine profit-wise. That's why I didn't know which way to answer.

Q. Do you know how they are doing with their program profit-wise?

A. No, but if I were them, I am sure I could buy bulbs a lot cheaper than I buy them, so they must be doing better.

Q. My question is do you have any facts —

MR. HOLSTEIN (Interposing): He has answered your question.

MR. COHEN: No, he hasn't. He has given me his conclusion. I want to know whether he has any facts whatsoever in regard to what profit, if any, Detroit Edison makes from its light bulb program.

MR. NELSON: Are you distinguishing the profitability of the light bulb program, Mr. Cohen, from the profitability of the company generally?

MR. COHEN: Yes, from the light bulb program. He

just got through saying he was sure they made a profit selling light bulbs.

• • •

(37)

Q. A legal attempt to monopolize.

(38)

A. It sounds self-explanatory. A monopoly means to restrain others from operating in your area of business, and "legal" means that it be condoned by the powers that be.

Q. What does a legal monopolization mean to you in your own words?

A. It means that somebody has got something going for them and it's O.K. with the government or whoever decides.

Q. And does the phrase "tie-in sales" have any meaning to you?

A. Tie-in sales are when people — people might come into my store and ask for a light bulb and I might be able to sell other things to them, too, if they did come in and ask for a light bulb. "Do you have extension cords? Do you have enough plugs, outlets?" — various things that you might group together in a display if that was a big area of your mercantile practice.

Q. Do you do that in your store?

A. I try — yes, I do it in areas that are profitable, a reason for it.

Q. That is what "tie-in" means to you?

A. Yes.

MR. HOLSTEIN: Well, in this complaint, though, in regard to electric power and bulbs —

A. (Interposing): I don't think I answered that.

Q. (By Mr. Cohen, continuing): Is there something else you wanted to say?

(39)

A. No, I am not putting this into that paragraph. I am just defining these things like off the cuff.

MR. HOLSTEIN: I would like the record to show that these were words of art; that Mr. Cantor was advised by his counsel in describing the conduct of Detroit Edison, and these are words that were — phrases that were produced into the complaint as a result of legal counselor's advice and were not words that were produced or given to Mr. — were given to Mr. Holstein or any other counsel of the Plaintiff by the Plaintiff.

Q. (By Mr. Cohen, continuing): Well, in your own words, Mr. Cantor, in filing this complaint, what practice or practices of Detroit Edison are you concerned about?

MR. HOLSTEIN: I object. The question has been, as in many other instances this afternoon, asked and answered.

Q. (By Mr. Cohen, continuing): Can you answer the question?

A. Shall I answer it?

MR. HOLSTEIN: Let's confer.

(Mr. Holstein conferred with co-counsel off the record.)

MR. HOLSTEIN: We are going to instruct the witness not to answer. The complaint speaks for itself, and on behalf of the witness I will stand on his complaint.

(40)

MR. COHEN: As long as you are instructing him not to answer, I have a right to ask a witness, particularly in a class action lawsuit, what his specific complaint is; what, in other words, he is complaining about, in his own language, aside from terms of art. I am just stating that for the record inasmuch as you have instructed him not to answer. It is a matter for the Court to determine.

Q. (By Mr. Cohen, continuing): Now, you said previously at least that one of your reasons for your case — strike that. One of your definitions of "attempts to monopolize" or "legal monopoly" is that the actions restrain others. You said you felt you were restrained by Detroit Edison's actions. Is that correct?

A. Yes.

Q. Now, in your own words, how are you restrained?

MR. HOLSTEIN: I object. Again, we will stand on our

complaint and the Plaintiff will stand on the answers previously given at this deposition. I instruct him —

MR. COHEN (Interposing): This man has testified in his own words that he felt the actions of Detroit Edison restrained him, and I have a right to know on the record what he means by his answer.

MR. HOLSTEIN: I object. I believe the witness has already testified in answer to your question that were Detroit Edison not acting as it does, as alleged in the (41) complaint, the witness feels that he would be able to sell more incandescent light bulbs and increase his profits in these areas.

MR. COHEN: I have asked the witness a question and you have made your answer, and you direct him not to answer it or you don't.

MR. HOLSTEIN: I think the question has been asked and answered previously in the deposition.

MR. COHEN: Are you directing him not to answer or not?

MR. HOLSTEIN: Yes.

MR. COHEN: You are directing him not to answer that last question of mine?

MR. HOLSTEIN: Yes.

Q. (By Mr. Cohen, continuing): Is it your understanding that a person who — strike that. Can your wife, who uses Detroit Edison's, exchanges her bulbs, as you stated, at Detroit Edison — do you know of any reason why she isn't free to buy her bulbs somewhere else if she so desires?

MR. HOLSTEIN: I object as to the relevancy and materiality of that question.

MR. COHEN: Are you directing him not to answer or not?

MR. HOLSTEIN: We will let him answer that (42) question.

A. You will let me answer?

MR. HOLSTEIN: Yes.

A. She thinks she is getting them free and I found out subsequently that she is not.

Q. (By Mr. Cohen, continuing): My question is, if she

wants to, can she get her bulbs somewhere besides Detroit Edison?

A. That is her privilege. Nobody is saying she can't. However, she doesn't want to because she thinks she is getting them free, so why should she spend money for bulbs someplace else when she gets them for what she thinks is free?

MR. COHEN: Read his answer back, please.

(The last answer was thereupon read by the reporter.)

Q. (By Mr. Cohen, continuing): Now, what did you find out subsequently that indicated that she was not getting them free?

A. I found out that there is a service charge, part of the charge for electric service includes some kind of charge for bulbs.

Q. How did you find that out?

A. From Mr. Holstein.

Q. Did you tell that to your wife?

A. Yes.

Q. Does she still think she is getting them free?

A. No. She hasn't gone lately to get any since I told her.

• • •

DEPOSITION EXHIBIT 1

INVOICE DATE	SIZE BULB	UNIT COST	QUANTITY	WHOLESALE COST
6- 7-73	75w	.213	24	5.12
6- 7-73	100w	.213	24	5.12
6- 7-73	150w	.326	12	3.92
2- 1-73	60w	.213	24	5.12
8-10-72	150w	.33	24	7.84
5- 4-72	150w	.33	24	7.84
5- 4-72	color 25w	.30	12	3.60

INVOICE DATE	SIZE BULB	UNIT COST	QUANTITY	WHOLESALE COST
4-27-72	150w	.33	24	7.84
4-13-72	100w	.22	24	5.28
3-25-72	150w	.30	24	7.20
2-12-72	60w	.20	24	4.80
11-04-71	75w	.20	24	4.80
9-25-71	100w	.22	24	5.28
8-28-71	3-way 150w	.53	12	6.32
7-22-71	color 25w	.30	12	3.60
7-22-71	150w	.30	24	7.20
				90.88

Annual purchases from this wholesaler are between 130-140M a year

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DEPOSITION EXHIBIT 2

BULB INVENTORY

WATT	HOW MANY
25	72
60	12
75	21
100	22
150	15
3 Way (50-100-150)	12
25 Watt Tubular Lamp	

Deposition of Robert J. Blok

• • •

(4)

ROBERT J. BLOK, called as a witness for cross-examination under the Federal Rules of Civil Procedure, being duly sworn by the Notary Public, was examined, and testified as follows:

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CROSS EXAMINATION
By Mr. Nelson:

Q. Mr. Blok, would you please state your full name.
A. Robert J. Blok.
Q. And you are employed with the Detroit Edison?
A. Yes.
Q. Where do you reside, Mr. Blok?
A. In the Walker Cisler Building, Room 534.
MR. COHEN: Off the record.
(Discussion off the record.)
Q. (By Mr. Nelson): Your residence, Mr. Blok?

(5)

A. Dearborn, Michigan.
Q. Could we have a street address.
A. 24916 Winona.
Q. That is in Dearborn?
A. Yes.
Q. Your educational background is what, professionally?
A. I have a business administration degree in marketing.
Q. From what university?
A. Detroit Institute of Technology.

Q. You have been with Detroit Edison for how many years?
A. Thirty-three years.
Q. Your present classification or office is what?
A. I am supervisor of the materials and supplies buying division.

• • •

(33)

Q. Anything else on quality that you take into account?

(34)

A. Those are the items that we are concerned with.
Q. Does it, Detroit Edison, test these lamps?
A. No, not at present.
Q. Are the lamps tested by anybody?
A. Manufacturers do test lamps.
Q. That would be Westinghouse and the like?
A. Sylvania and General Electric.
Q. And do you get copies of their test reports?
A. We receive test reports every six months.
Q. What do they test?
A. They test the items that I have just related on average watts, watts at seventy per cent of life, lumens.
Q. How frequently is this done?
A. They are testing lamps continuously at their facility in Nela Park, in Cleveland.
Q. That is, General Electric, the address you just gave?
A. That is correct.
Q. Are any of the other, Sylvania, Westinghouse, do they test?
A. They do.
Q. How frequently are these tests made?
A. They test a certain number of lamps out of certain lots during an entire six month period, and it is a continuing program where they take certain lamps out of certain manufacturing and put them on the test rack and run them for (35) the number of hours they expect to get out of a lamp. Thirteen hundred and fifty hours could mean many, many months before that lamp burns out.

Q. Who in Detroit Edison gets those test reports?
A. I receive copies, and the marketing department.
Q. Anybody else?
A. Not that I know of.
Q. Do you have a copy of such a report with you?
A. I have a copy, yes. That is not the current report, but it is one that we do receive.
Q. Are there anywhere in the purchasing documents that, that you create, these various documents that you describe, are there anywhere in those documents any references to any of these testing requirements here, as far as the performance of the bulb is concerned?
MR. NERN: I would have to ask you to define performance.
Q. (By Mr. Nelson): Do any of the — or, strike it again.
Does any of the language of your bid requests or quotations, or the like, refer to these tests that you have handed me?
A. No.
Q. What need does your department have for the test information?
A. Well, it, the test information tells us that the lamp is (36) meeting what we expect in a lamp in the way of life and wattage output.
Q. Again, your specs do not, or your quotations do not refer to wattage or length of life?
A. Not to my knowledge.
Q. But that is a factor, though, is it not, that you take into account when you meet and analyze and determine quality?
A. Right.
Q. Do you send those test reports to anybody else other than the people that you have described?
A. I have referred these reports to our engineering research department for review.
Q. That would be Mister who?
A. Mr. Galloway.
Q. And what, for what purpose does he get these reports?

A. He is chairman of our lamp standardization committee, and at one time our research department did test these lamps.
Q. When did they cease doing that?
A. I believe it was about two years ago.
Q. And did they create reports during the period they tested?
A. I cannot answer. I do not know. I assume they probably did, but I do not find any in the file.

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(39)

Q. To your knowledge, dealing with the engineering tests of the lamps, is not filed with any public body, is that correct?
A. No, it is not.
Q. Are any documents of your department filed with any public body?
A. Not to my knowledge.
Q. It is not a regular part of your business activity as the manager of the division to file any kind of public report?
A. No.
Q. You do not have to, for instance, report to any public body with respect to the purchasing procedures that you described?
MR. NERN: Could you just indicate at this point that you are speaking directly of records of Mr. Blok and his division in terms of the reporting?
MR. NELSON: Absolutely. Absolutely.
Q. (By Mr. Nelson): Does your division file any kind of written report with any public body?
A. Not to my knowledge.
Q. And if your division did file such a report, which it was required to do so, surely you would have such knowledge?
A. I would.

(40)

Q. Do you receive from any public body or agency a

request for any kind of reporting information as a regular course of your activity?

A. Regarding lamps?

Q. Regarding lamps.

A. No.

Q. And, I take it, that those answers would surely include the Michigan Public Service Commission, is that correct?

A. I don't understand the relationship.

Q. You do not make any kind of a report; you do not get a kind of request for a report from the Michigan Public Service Commission?

A. Not to my knowledge.

Q. So they do not in any way supervise or regulate you, telling you what you ought to do, what you cannot do, in connection with the purchasing procedures that you described?

A. Not to my knowledge, in the purchasing area.

Q. So if you want a bulb with twenty-seven hundred lumens, or sixteen hundred lumens, or whatever you wish, you are not told in that connection what the lumen power of the bulb ought to be by anybody, is that correct?

A. You mean anybody outside of Detroit Edison?

Q. Yes.

A. No, we are not told.

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(56)

Q. But, I take it, again, that the, the presence of, or absence, or amount of any discount of that character, (57) is certainly something that is considered by the purchasing department in awarding the purchase order?

A. Well, the discount affects the unit cost, the net unit cost, and that is what we are interested in.

Q. You also told me that the Detroit Edison bulb that is used in the program is not, to your knowledge, available through anyone other than Edison, is that correct?

A. To my knowledge, yes.

Q. Do you know, of your own knowledge, why a particular manufacturer or supplier would state his prices as a

fixed price with a discount in the category of sixty per cent? Do you know why it is done that way?

A. No, I do not.

Q. Has this always been the case, that there have been these discounts from these manufacturers, since you have been with the department?

A. My observation of the bids, the bids are submitted oftentimes each year in a different manner. Some might quote a net price. Some might quote a discount in varying degrees. It depends on their given situation in a given manufacturing period.

Q. And I think we established this morning that your department does not file any information relative to discounts with any public body, is that correct?

(58)

A. Correct, we do not.

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(70)

CROSS EXAMINATION
By Mr. Sklar:

Q. Mr. Blok, do you have any independent knowledge as to whether any of the reports which your department generates, or any of the correspondence or documents which pass between Detroit Edison and these lamp suppliers from your department, are transmitted to any governmental agency?

A. Not to my knowledge.

Q. Okay. During the time that you have been employed by Detroit Edison, have you ever been called upon to testify in any proceeding with the Michigan Public Service Commission?

A. I have not.

Q. Do you have any knowledge as to whether any of the people working for you in the purchasing, in purchasing, who are connected with the light bulb exchange program, have ever testified before the Michigan Public Service Commission?

(71)

A. To my know edge, they have not.

Q. Do you have any independent knowledge as to why some of the suppliers of lamps for the light bulb exchange program choose to quote a higher price and a substantial discount, whereas others quote a lower net price to you?

A. I have no knowledge why they do that.

Q. Do you have any knowledge as to whether any of your lamp suppliers sell bulbs of a similar quality and kind in terms of life and lumens to others, other than Detroit Edison?

A. Could you restate that.

Q. Yes. Do you have any independent knowledge that any of your lamp suppliers that supply lamps for your light bulb exchange program sell to people other than Detroit Edison, lamps of a similar life and lumen output as those which are used in the Detroit Edison lamp exchange program?

A. I am not aware that they do.

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(72)

CROSS EXAMINATION
By Mr. Cohen:

Q. Mr. Blok, I just have a couple of questions on direct. Do you recall being asked a question as to, in regard to whether or not the information which you gathered in your purchasing was distributed to anyone else in the Edison organization for ultimate submission to a public body? Do you recall being asked that question?

A. Yes.

Q. And I believe your answer said it was not to your knowledge. Now, is that correct?

A. Correct.

Q. Now, is it my understanding that you do not directly direct any of this information to anyone other than your immediate supervisor, is that correct?

A. That is correct.

Q. Now, to your knowledge, is the information that you gather ultimately distributed to the accounting department in Detroit Edison?

A. It is.

Q. And, if you know, does the rate bureau get information from the accounting department to be used in submission to government bodies?

A. I would believe they would.

MR. COHEN: I have no further questions.

(73)

RE-CROSS EXAMINATION
By Mr. Sklar:

Q. Do you know which, or do you have a belief as to what information which is generated by the purchasing department with regard to the light bulb exchange program ultimately is presented in some fashion to any public body?

A. I understand that it is.

Q. Do you have any idea as to what kind of information of all the information which you generate is presented to a public body?

A. I do not, no.

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Deposition of Ronald Daniels

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(4)

RONALD DANIELS, called as a witness for cross-examination under the Federal Rules of Civil Procedure, being duly sworn by the Notary Public, was examined, and testified as follows:

MR. NELSON: The witness is sworn, and we will have

the same stipulation, which is to the effect the deposition is being taken by stipulation, notice is waived, and we understand that the Defendants have requested the privilege of reading and signing the deposition.

Is that correct?

MR. COHEN: I believe the word is "right", but certainly we have requested it.

CROSS EXAMINATION
By Mr. Nelson:

Q. Mr. Daniels, your full name, please.
A. Ronald Daniels.
Q. You reside where?
A. My residence?
Q. Yes.
A. 20967 East Farm, Northville, Michigan.

(5)

MR. NELSON: Off the record.

(Discussion off the record.)

Q. (By Mr. Nelson): You have been with the Edison Company for how long, sir?

A. I have been with Detroit Edison since July 2nd, 1961.
Q. '61?
A. Yes.
Q. And prior to that, where were you employed?
A. I was attending the University of Michigan.
Q. Did you graduate from the U of M?
A. Yes, I did.
Q. And with what degree?
A. I have a Bachelor's degree in electrical engineering, and a Bachelor's in mathematics.
Q. Did you receive any formal university instructions subsequent to the receipt of those degrees?
A. I have taken accounting courses and also the management course that the University of Michigan offers, which is approximately a one month course, including accounting, economics, personnel development, and a number of items which are included in management.

Q. What is your title with the company now, Mr. Daniels?
A. My present title is director of the rate and revenue requirement department.

(6)

Q. Is that located in this building, the Walker Cisler Building?
A. No; it is in the general offices, which is across the street.
Q. 2000 Second?
A. That is correct.
Q. Is that where all of the rate and requirement section is located?
A. Yes. My entire department is in that building.
Q. When you first came with Edison in 1961, in what capacity were you employed?
A. I was employed as a college graduate in training, which is a training arrangement that Detroit Edison has. It is to develop professional manpower personnel.
Q. You started in training, and how long were you in training?
A. The program is designed to last five years. It takes the individual into the program, assigns various types of projects and problems, and is designed to develop an individual to a point where at the end of five years he is ready to go into a "professional job". That is, have the level of responsibility to handle jobs on his own.

Now, it does not necessarily mean it will take five years; depending on any one person's abilities. He may complete that period in three years, or whatever.

(7)

I, in that period of time, I had a title of assistant engineer. Then after the five year period I became research engineer. And in approximately 1970 I became the assistant director of the rate department. Then in July of 1973 I became the director.

Q. How old are you now, Mr. Daniels?
A. I am thirty-four.

Q. So that your experience since the training program has, fundamentally, been in the rate department?

A. Yes, except for a six month period when I was on a cross training assignment to the plant accounting department, I have spent all of my time in the rate and revenue requirement area.

Q. What was the purpose of doing that cross programming into accounting?

A. The cross training is to better equip individuals, and plant accounting is an area that we request a fair amount of information from, and so the idea was to better acquaint me with some of the problems they have, and then also to introduce to them some of the needs that we had. So it is a, really, a communication type of thing. It provides more background for, for the individual being trained, and it provides more understanding.

Q. How many employees are there in the department, rate (8) department? I call it a rate department. I think you added another word to it.

A. Well, the department name is rate and revenue requirement. "Rate" is fine. I won't have any difficulty with that.

Q. How many employees are in that department, approximately?

A. Currently we have twenty-two employees in the group.

Q. Do any other departments have any function to perform in connection with rates other than your department?

A. The design and development of rates, you mean, or — because something you should understand is that the development of rates is really a cross section or a coming together of both the technical side of the company and the accounting or financial side of the company, because the, the design of rates have a, an effect, or have a resultant of how the system is operated. If we, if our engineer or production side of the company is doing something exactly contrary to a feature of the rates, then we will not get the results that are desired.

Q. So would it be fair to say your department, then,

would have liaison or some communication, basically, with all aspects of the company? Is that a safe statement?

A. We have a wide range of contact with other areas. I guess I would not characterize it as having liaison with all areas, but certainly we have a great deal of liaison with the (9) marketing, the engineer, the production, accounting, tax. So it covers a wide spectrum of the company.

Q. Is the rate department, then, something that is in the continuous state of existence? Does it function continuously?

A. To my knowledge, the rate department has been in continuous existence for — well, I guess probably the last twenty-five to thirty years as an independent entity.

Now, prior to that, the, that rate function was a part of, I believe it was the statistical department, but it was, it did exist as far as the, the design, development, administration of, of the rates.

Q. In any event, rates now have, from what you have indicated to me, the rate making function apparently has developed to the extent there is a continuing need for a department of twenty-two people who do nothing but work on rates, is that essentially correct?

A. The end result is rates. There is a great deal of study that goes into the design and development of rates. You have cost of service studies, you have load research studies, rate research into the particular type of rate or rate feature that is necessary, and there is, there is a great deal of background in development that must go into any rate or rate proposal.

Q. I would assume that one of the functions that your (10) department would perform would have to do with times when Edison is applying for a rate change, isn't that correct?

A. We are quite involved in any rate activity, yes.

Q. Other than that which would involve preparing documents or the like for the Public Service Commission, is that correct?

A. Yes. We have been very much involved in all of the rate cases that, that have occurred in recent years.

Q. What else does the department do other than that

function of preparing exhibits and data for submission in rate cases?

A. The department is composed of two specific groups with further breakdown. One, the rate division has rate administration, rate research and load research. Rate administration is the interpretation of particular features in rates, and also the handling of commission type complaints. The rate research is the design and development and analysis of a particular rate form or rate feature.

Load research is the study of how customers utilize the energy that they, they take, and also when they utilize that energy.

On the other side of the department, the revenue requirement section, we have cost of services, which is a, a development of the profitability of each particular class. It is the allocation and assignment of revenues, expenses and investment to the particular rate (11) classes.

We also determine the depreciation rates, and make any life studies and related studies to depreciation that are necessary, and secure from the Public Service Commission the necessary orders, for the company to be able to apply those rates.

In addition to that, we do economic studies such as comparison of buy versus lease, the things that would determine a least revenue requirement for a particular project.

Q. So as far as economic data that is submitted to the Michigan Public Service Commission is concerned, in a rate case, for instance, that would be the responsibility of your department, is that correct?

A. Well, I guess I am — when you say "economic data", that covers a real broad spectrum. I am not sure that I understand your question.

Q. Your quarrel with the question is the word "economic". If I change that to "internal accounting and statistical data", would your department be exclusively involved in the preparation of the internal —?

A. We would not necessarily be exclusively involved. The general accountant — well, let me back up a bit. As far as the testimony before the Public Service Commission, (12) it would be most likely that the general accountant

or someone in his area would testify to certain accounting adjustments, or the, the figures that are on our income statements. For instance, the, a member of the general accountant's department testified to the, the net income of the company for the test period in the last rate case.

Q. That net income, then, would not be something that would necessarily fall into the rate and revenue area of responsibility?

A. That is correct. It is part of the general accounts.

Q. It is in general accounting?

A. It is in general accounting.

Q. So in that framework, what kind of data does your department submit to the Michigan Public Service Commission in a rate case?

A. The department submits the, all of the revenue changes — well, adjustments to income statement such as the effect of fuel adjustment increases. The effect of rate increases from previous cases on that test period. The, in this case, I testified to the redispatch of our generating units to reflect an end of period test year. I testified to the rate base. Members of our department testified to the rate design, the effect of the, the proposed rates on customers as far as increases were concerned, and also the, the cost of (13) service. That is, the, those expenses that, expenses, revenues and investments that have been assigned to various classes of service.

Q. May I ask you this question — which is a question that I have about the rate making process — exactly what factors are taken into account, general factors, by Detroit Edison in determining a rate? What are you trying to do?

A. Our main objective in determining rates is to structure rates to be basically coincident with the cost of service. We perform cost of service studies and in our development of rates we attempt to follow those costs of service studies as closely as possible. There are instances where it is difficult to exactly meet cost of service, because the, the increases would be so substantial that there would be a definite dislocation to the, the customer. So our main objective has been to follow a cost of service approach.

Q. Would it be correct for me to assume, then, that fun-

damentally what, the task in rate making is to project costs, total costs of service and to project a rate that would recover that cost?

A. Well, you use the term "project". We are not allowed to project into the future. If you mean project by being historical cost, yes, we project that. But I — just to clear the record. What we do is look at something that has (14) happened already. We look at the historical expenses, and we assign, allocate, or if it is a direct assignment, we place it directly. If it is an allocation, we develop the most appropriate allocation that we can in coming up with that allocation.

We then assign to that particular class all those expenses which are appropriate to that class.

Q. When you use the term "class", I take it you are referring to some designation in the rate structure such as residential or commercial?

A. That is correct.

Q. So that within a class you project — I will withdraw the word "project" — you use the costs as you determined them for that classification in arriving at a rate; is that essentially correct?

A. The costs are the basis for our design of rates.

MR. COHEN: Just to clarify the record. Is my understanding correct that the costs that you use are based on a specific test period in the past?

A. For rate case purposes, they are a test period. Such as in the last case, the period ending September 30th, 1972.

Q. (By Mr. Nelson): In addition to costs, do you plug in any other factors in asking for a rate, either increase or decrease, other than cost?

(15)

A. At the present time, the, my main objective is to design rates by cost of service. Now, as I mentioned —

Q. May I perhaps shorten it by asking this question. Do you consider the rate of return at all in determining the ultimate rate? I have always assumed you did.

A. The rate of return in my definition is part of the total cost of service. I am sorry that — possibly I was not

clear there. But as I view cost of service, that is a, a total requirement, or a requirement of the design of the rate.

Q. In other words, do you include, then, in cost, what I would call a profit figure above and beyond out of pocket expense in order to arrive at cost for purposes of rate of return?

A. Included in the total cost is a, is a return of interest expense on our debt, dividends for preferred stock, and a return to the common stockholder. So I believe, yes, it is what you are saying.

Q. To orient me, then, in figuring your rate requirements for various classifications, you address yourself to costs as distinguished from your investment?

A. The investment is required in order to determine what your total cost will be, because you earn a return on the amount of investment that, that is required to provide the service.

See, in the utility business, the allowed return is based on a rate base. Rate base is (16) composed of the net plant plus an allowance of working capital. So when you, when you receive a rate of return — for instance, in our case of seven point eight six per cent — that is applied to that rate base, and each of the classes have been assigned a certain portion of that rate base. So your return is tied back to investment. So that is just one component of the total cost.

Q. I understand. Are these rate cases —

MR. COHEN: Off the record.

(Discussion off the record.)

Q. (By Mr. Nelson): These rate cases that you have participated in, have you, yourself, testified in them?

A. I have testified in this last case, U-4257. I had a very minor appearance in the prior case. The other ones I have been active in, in a capacity of preparation of material.

Q. But as director of the department, would it be safe for me to assume that you, in any case, would have knowledge of all matters that your department submits to the Commission in a rate case?

A. I think a reasonably fair knowledge.

Q. Would it be in that cost picture that you projected,

that you take into account, do you compute — I think you indicated a cost of total plant, is that correct?

A. We use the total plant, or net plant as a basis for the (17) return component. This is off the books of the company.

MR. COHEN: May I go off the record.

(Discussion off the record.)

Q. (By Mr. Nelson): Let us start, back on the record, then, with the concept of rate of return, as you have used it, and will you state on the record, sir, your definition of rate of return.

A. Okay. Rate of return is the division of operating income which in my definition is the, the sum of bond interest, plus preferred dividends, plus the return to the common equity holder. That total is divided by rate base, which is the sum of net plant plus working capital that will equal rate of return.

Q. In a rate case, this is all relevant to a particular test period?

A. That is correct.

Q. The concept that you have of your plant, as figured in that formula, is a computation of the total dollar amount of plant that you have, is that correct?

A. It is the original cost of the plant installed by the company for the service to the customer. It includes all the general offices, the warehouses, the generating plants, lines.

Q. Would it include the Detroit Edison offices where light bulbs (18) are dispensed?

A. If it were, if they were company-owned offices, it would include that investment, also.

Q. Does Edison lease any offices?

A. Edison has leased certain customer offices.

Q. I am talking of a service center or customer office. They do lease some of them?

A. They have leased some of the customer offices.

Q. When you lease an office, how do you determine, for purposes of plant, what — how do you evaluate the lease or put it into your plant base?

A. The lease isn't included in the plant base. The lease cost is included in the total expenses.

Q. Within that same framework, from the standpoint of the payroll of employees who work at a service center, what is done with the payroll cost in this formula? Where does that appear?

A. All of those expenses are included in the total labor cost, which is included in the income statement, so that you, you have revenues less expenses resulting in that operating income that I was talking about before, so that labor cost would be included in the total labor.

Q. I would assume if we take a service center or a customer center, if we can call it that, that it would have other (19) expenses in addition to labor, such as heating, lighting, telephone, perhaps property taxes and other expenses. The total complex of expense that goes up to running that service center. Are there any expenses that are not included in either the plant base or in —

MR. COHEN: I am going to object. You asked him, "I would assume" as if it were a question, and then you went on and asked him whether that was correct or not.

MR. SKLAR: Do you want an answer?

MR. COHEN: Do you want an answer to that, or is that an assumption?

MR. NELSON: I don't understand the objection.

MR. COHEN: The objection was you made a long assumption.

MR. NELSON: All right, I will rephrase it.

Q. (By Mr. Nelson): It is true, is it not, that the customer service centers incur a lot of expense in addition to labor, such as taxes, heat, telephone, light, and the like. Is that true?

A. I am not sure what a lot is, but the, there are other expenses besides labor.

(20)

Q. Perhaps you could list them for us and we would not have to speculate.

A. I guess I am not sure that I know all the expenses that occur in a customer office. Those items that you men-

tioned would probably be all recognized in most customer offices, but I don't know if that is an inclusive list or not. I would agree that —

Q. Are there any expense items or out of pocket dollars that Edison has to spend in order to maintain customer offices that are not included somewhere in the rate base?

A. There have been.

Q. For instance?

A. The merchandising function of the company had been excluded from the rate base and from the expenses of the, in our rate cases.

Q. You say "had been"?

A. They have been. They have been recently, the last case.

Q. When you say "merchandising functions", what do you include in that concept?

A. The selling of appliances, both major and traffic appliances.

Q. And your repair, is that included in your rate base, the cost to repair, appliance repair?

A. The cost of repair people have been included in the allowable expenses and in the rate base.

(21)

Q. What about the bulbs, themselves, in what we have referred to as the bulb program? Are those bulbs within the merchandising concept that you said is excluded, or are they included?

A. They are included in the total expenses of the utility in the rate making procedure.

Q. In connection with the distribution of bulbs at these centers, can you tell me where you have, or Edison has, an independent agent such as a private drugstore or a party store, and the like, as its agent, does it compensate that agent in any way?

A. I am sorry that I cannot answer that: I don't know the procedure in that case.

Q. The other factor of the formula that you gave us, sir, had to do with the computation of interest, preferred

dividend, and some provision for common dividend, is that correct?

A. Yes.

Q. And you call that part of the formula computation of what?

A. That part was the operating income, which was the numerator of the, the formula.

Q. As I understand the formula, you take your total rate base, including plant and working capital, and add it together for the base period, is that correct?

(22)

A. That is correct.

Q. And then you take the operating income and determine what the rate of return is on that base?

A. Yes.

Q. And Edison historically receives what rate of return?

A. Detroit Edison was granted a rate of return, composite rate of return of seven point two per cent in the, in their first rate case, U-3819. They are granted a composite return of seven point three nine per cent in the second rate case, which I believe is U-3697. They were granted seven point seven eight per cent in U-3910, and they were just granted seven point eight six per cent rate of return in U-4257.

MR. COHEN: For the record, can we have at least the years on this.

A. The first case was decided in April of 1970. The second case was decided — I am sorry. January, 1971. The third one was August, 1972, and the fourth one in January, 1974. The period that these cases covered was from 1968, the first case, had a test period of 1968, and the most recent case had a test period of twelve months ending September 30th, 1972.

Q. (By Mr. Nelson): Let me try something to see if I understand the formula. I would take it that from what you have indicated, that in connection with the light bulb program (23) there are certain building and operating ex-

penses that are incurred by Edison in order to distribute light bulbs under the program. This certainly is a correct statement, is it not?

A. There are portions of buildings and portions of facilities that are required for the program.

Q. What you are saying is that some part of the building costs, some part of the labor cost, some part of the taxes, or whatever other expenses there are, could be segregated, I suppose, at least theoretically, to determine the rate base of the light bulb program? Is that a fair statement?

A. An allocation could be made of that nature, yes.

Q. And, in effect, in the manner in which your rates are computed, that is done, except that that segregation is obligated so it cannot be separately seen, is that a fair statement?

A. No, I don't think it is quite a fair statement.

Q. In what respects is it not fair?

A. The light bulb program does have an assigment of the various expenses that are attributable to the program.

Q. What expenses are they?

A. The cost of the particular bulbs. An allocation of the marketing personnel who are handing out the bulbs. An allocation of the general and administrative expense of the (24) total company.

Q. Are those all of the matters that are allocated to it?

A. There is a certain amount of — well, working capital that, a small amount of working capital is assigned to.

Q. Has that ever been done, to your knowledge, since you have been in the department, that somebody has sat down and allocated plant and working capital to the bulb program?

A. Not plant, sir. The expenses have been allocated to the program.

Q. In other words, you do not allocate any cost of owning the building to the light bulb program?

A. No, sir.

Q. And you do not allocate any cost of heating or paying taxes on or insuring the building to the light bulb program?

A. I don't believe so. I am not entirely positive of what all is in the general and administrative expense, but I — I would have to review that. I am not positive on the taxes and insurance.

Q. Have you ever prepared or submitted to the Michigan Public Service Commission any data separately setting out the, what I might call the fully allocated cost of the light bulb program?

A. I guess if you could expand somewhat on that. Do you mean specifically for the light bulb program? Just taking (25) something up and giving them something regarding the light bulb program? Or as a part of something else?

Q. No.

A. See, it is included in our cost of service.

Q. I am asking it, sir, on the basis as to whether it has been segregated out either as part of something else, but segregated in an identifiable way so that all of the costs fully allocated, the buildings, and the heating, and the taxes, and the personnel, Workmen's Compensation, et cetera, of the light bulb program, have been computed out and listed in some separate way? Has it ever been done? First of all. And, secondly, if it has been done, has it ever been submitted to the Michigan Public Service Commission?

A. As part of our rate cases, we have submitted working papers supporting our cost of service studies. In the cost of service studies are included a breakdown of the expenses which are both directly related to the light bulb program, and then those expenses which are of an allocable nature, which would remain, whether the light bulb program was in effect or not. But it was, they were assigned a certain portion of A & G expenses.

Q. But no total computation, I take it from your answer, has ever been made with respect to the bulb program as an entity in and of itself?

(26)

A. Well, nothing further than what I answered. Now, I guess I —

Q. Well, perhaps —

A. How complete do you mean? I — we have assigned —

Q. The distinction —

MR. COHEN: Let him finish his answer.

A. We have assigned the direct and the, that portion that was allocable.

Now, we did not assign plant. And if, if you feel that plant was necessary to assign, no, we did not assign that.

Q. (By Mr. Nelson): Well, I want to put it in this context. If we presume that we do nothing other than distribute light bulbs from service centers, we could surely compute the cost of what we were doing in one computation?

MR. COHEN: I am going to object to that question and direct him not to answer, because that is a presumption which is totally unsupported by all of the testimony that you have had to date. In fact, it is controverted by the testimony you have had to date.

Q. (By Mr. Nelson): You indicated, Mr. Daniels, that there were cost of service studies made, is that correct?

A. Yes, sir.

Q. Do you have in your possession, or in your department, (27) a copy of such a cost of service study?

A. I have work papers which have been submitted to the Public Service Commission, which include certain cost of service studies.

Q. In the interrogatories that were filed, I think particularly interrogatory number five, we requested that we be furnished as exhibits all general service rate filings made by Edison which evidence or show the amount of expense allocated to the light bulb program for the years 1967, '68, '69, '70, '71, '72, and '73. Prior to today, were you ever made aware of that interrogatory?

A. I have seen the interrogatory.

Q. And were you asked by Mr. Nern or Mr. Cohen to prepare any material for answer to that interrogatory?

A. We had prepared certain amounts of information.

Q. First, let me withdraw that and say that the answer that is submitted is that during the period 1967 to 1973 the Detroit Edison Company has had the following general rate cases, and therein are listed four cases: U-3189, U-3697, U-3910, and U-4257. The remaining part of that answer is as follows: All work papers and other material used in the preparation of these findings will be available to Plaintiff pursuant to the introduction hereto.

Did you assist in preparing that (28) answer?

A. I did not prepare that particular answer. I told the, Mr. Nern, that we had the background data.

Q. Were you aware that Mr. Nern subsequently delivered to us at our request, as a follow up to that answer, certain material on interrogatory number five, which has been called a spread sheet, for case U-4257?

MR. COHEN: Let us take a short break. I want to get Chris in here, because he is the one that knows all about this.

MR. SKLAR: Okay.

(Interruption.)

Q. (By Mr. Nelson): I will redirect the witness' attention to interrogatory number five in which we requested the amount of expense allocated to the light bulb program for years '67 through '73, and have asked the witness if he had any responsibility for the preparation of answers to that interrogatory?

A. I answered that I was, I had worked with Mr. Nern in providing some of the information.

Q. And were you aware that subsequently we did ask for the information that was alluded to in the answer?

A. I was not aware. I was — I am aware that there were other things submitted, but I was not aware of what they were.

(29)

Q. Did anybody else in your department then have responsibility for submitting any documents to us or to Mr. Nern in connection with that interrogatory?

A. There were other people in my department that worked with Mr. Nern from time to time, yes.

Q. As I understand it, Mr. Nern is here, that the document that we were given in response to our request, based on the answers to the interrogatories, is this so-called spread sheet in case U-4257. Are you familiar with that?

A. Yes, I am.

Q. And on that spread sheet in connection with our question on the lamp exchange program is the third line item lamp exchange, commercial, listing certain numbers after it, and beneath that domestic, and listing again certain numbers after it, is that correct?

A. Yes, sir.

Q. Did you submit any other documents to Mr. Nern relative to the interrogatory other than this one spread sheet?

A. We submitted some rate sheets.

Q. By "rate sheets", you mean, you mean what?

A. Well, let's see. Excuse me a moment. I will go through my file.

Under interrogatory number nine, there is a request for exhibits and all orders of the Public (30) Service Commission which grants approval for the current light bulb program. That is not the exact statement, but I was just paraphrasing it.

Q. So the reference to the other documents that you have, in response to my question, would be the documents submitted in response to interrogatory nine, is that — ?

A. That was to nine, yes.

Q. And, for the record, those documents consist of what we might call "rate sheets" for basically domestic and commercial service starting with 1916 to 1972, of which there are a number of sheets.

A. On interrogatory fifteen, sixteen and seventeen, we have discussions on the, that material. I am not sure that we provided material to Mr. Nern, but we, we discussed the material and the answer.

MR. COHEN: Could I ask — I think it would be helpful at this point in the record, if you have no objections — if you do, I can do it on direct — but in answer to interrogatory nine, to make it an exhibit at this place in the deposition.

MR. NELSON: We have no objection to that request.

MR. SKLAR: No.

MR. NELSON: Why don't we do it now, (31) mark both of them as exhibits.

MR. COHEN: Right.

MR. NELSON: Mark the spread sheet as Exhibit 3, and mark the other one, interrogatory nine, as Exhibit 4.

(Whereupon documents were marked Plaintiff's Deposition Exhibits No. 3 and 4 by the Reporter.)

MR. NELSON: We will next state for the record that in this series of depositions the Plaintiffs are marking exhibits in numerical sequence, from witness to witness to witness, so that there will only be one numerical series of exhibits.

Q. (By Mr. Nelson): You have indicated, Mr. Daniels, in response to my former question on exhibit five, what has now been marked as Exhibit No. 3, is the spread sheet that was given to you by Mr. Nern, and you have indicated the documents attached in response to interrogatory number nine, which is now Exhibit 4, and you alluded, I think, to the answers to paragraphs fifteen, sixteen and seventeen of the interrogatories, is that correct?

A. Yes, that is correct. And we also conferred on interrogatories number ten, and twenty-three, as far as discussion was concerned.

(32)

Q. So that, does that —

A. That was the extent of our discussions with Mr. Nern.

Q. Now, to the extent, then, that those documents have been supplied to us, I take it that constitutes the answers to interrogatory number five relative to documents that are described in interrogatory number five, just so I, the record is clear on it.

A. Without having reviewed that, your exhibit —

Q. Would you like to review it again?

A. Yes, I would.
Q. Which one would you like?
A. Number three. Yes.
(Interruption.)
Q. (By Mr. Nelson): Mr. Daniels, as I understand your answer, then, is that all of the documents that we requested in interrogatory number five showing the amount of expense allocated to the light bulb program for the mentioned years, have been supplied to us, is that correct?
A. That is correct.
Q. Consisting of that spread sheet and those tariffs that we had, and the others to interrogatories that you referred to, is that correct?
A. Yes, the interrogatories that were mentioned, all material was supplied.

(33)

Q. And you personally, I gather from your answers, have shown an awareness of all the interrogatories that we have here by the references that you have made, is that true?
A. I have either discussed them with Mr. Nern, or people in my department have discussed them with Mr. Nern, and I was aware of their, their contact with him.
Q. So that you and your department, then, have made a deliberate effort, certainly, to try to comply with this interrogatory and to furnish us with all documents?
A. We have supplied to Mr. Nern the documents which are described in the answer.
Q. I would gather, then, Mr. Daniels, then, from that, that the only document in which there is a reference to the lamp bulb program or expense allocated to it, is the one spread sheet?
A. You mean in 4257?
Q. Within the period of time that we have indicated?
A. That we had in our possession, yes, that is correct.
Q. And that question, of course, was in reference to documents filed with the Public Service Commission?
A. Yes, sir.

Q. So that you do not have in your possession, or in the possession of your department, any separate sheet allocating expense to the lamp program?

(34)

A. You mean besides what we have submitted here?
Q. Besides what we have.
A. No.
Q. Certainly you do not, because — ?
A. What we have submitted to you has been submitted to the Commission.
Q. And that is all of it?
A. To my knowledge, that is all, yes.
Q. Okay.
MR. COHEN: I am going to have a short discussion, the record should show, with the witness.
(Interruption.)
MR. NERN: Could we let the record show that the lamp release form for the free bulbs which were discussed in Mr. Blok's deposition have been provided to Plaintiff's counsel.
Q. (By Mr. Nelson): Well, getting back on the record of the deposition, this Exhibit No. 3, Mr. Daniels, which is an exhibit that was given to the Michigan Public Service Commission, what was the purpose for giving this to the Commission?
A. Exhibit 3 in this deposition was a portion of the work papers which were submitted in the case U-4257, the main part of this exhibit, that is, was submitted in 4257, (35) for the purpose of supporting our unit cost calculations for the domestic and commercial rates, and the basis of the exhibit, or the use of the exhibit, was to develop cost curves from which, or on which revenue curves could be compared to. So the components of the costs that were assignable to residential and commercial customers were defined more completely.
Q. This exhibit, then, is related only to a part of the submission, apparently, that was made to the Commission at that time, is that correct?

A. It is a portion of the underlying work papers that support the cost of service of the company in that case.

Q. Let me ask you. Have you ever participated in any Commission hearing where you were requested to supply data to the Commission from the standpoint of rates, where at issue was a question as to whether or not there was any need for the bulb program?

A. I have never participated in hearings where the bulb program was questioned.

Q. Do you have any knowledge of any hearing concerning the bulb program where data from your department might have been furnished?

A. I am aware of nothing where the bulb program was questioned. I am only aware of, of references by the Commission to the (36) bulb program, but nothing, not to questioning the bulb program.

Q. In any event, there has never been any hearing, to your knowledge, with the Public Service Commission as to whether or not there was any need to have a bulb program, whether it should be continued or abandoned, of that character?

A. To my knowledge, I am not aware of any question by the Commission.

Q. You are not aware of any formal Commission consideration of that issue, at least, is that correct?

A. That is correct.

Q. And I notice from the one exhibit, which is Exhibit 4, now, all these rate sheets that are attached to it, that from time to time the description of the bulb program for residential users, commercial users, has been changed; certainly you are aware of that?

A. The sheets that are attached have a varying provision for the lamps that were exchanged.

Q. For instance, at one time, I think, on the commercial rate ending, I think, if I am correct, in '64-'65, there was a provision in there for a reduction of a customer rate on the basis of kilowatt hours for those who elected not to take bulbs. Are you familiar with that?

A. Under the commercial rates, there was a, a provision to (37) receive a reduction to the stated rate.

Q. And today in the rate sheet that has been furnished to us with that exhibit, there isn't such an option, is there?

A. Not — no, there is no option. There is no reduction to the stated rate for customers who do not take bulbs.

Q. Have you ever participated or supplied any data, evidence-testimony, to the Michigan Public Service Commission, at any hearing in which that particular change in the rate sheets went into effect?

A. That change went — you mean the elimination of the — ?

Q. Of the option.

A. — of the option? The elimination of the option took place in 1964 when the Detroit Edison Company was reducing their, their rates in general. It was a three and a half million dollar reduction of rates. And as the, as a part of that reduction, the elimination of the option took place on the basis, or as a part of that reduction; it wasn't necessarily the, the reason for the reduction, but as a part of that reduction program the option was eliminated, and the — I submitted data which would provide the Commission with the knowledge of how large a total reduction we were talking about.

Q. Speaking in totals, I assume, you are saying, is that correct? Total reduction.

(38)

A. Total reduction, right.

Q. But from your previous answer, is it correct to say that you did not submit any separate data to the Commission at that time relative to the light bulb program itself?

A. There was no cost data that was submitted to the Commission.

Q. Have you ever submitted any data, cost data, to the Michigan Public Service Commission at any time since you have been in the department with respect to the quantity of bulbs that a customer should be permitted under the program?

A. Quantity the customer should be — ?

Q. Should be permitted to receive.

A. I cannot specifically think of a time. But I, I am sure that in the period there were statements of the policy that the company has regarding —

Q. But I am speaking of computations.

MR. COHEN: I object. I think he ought to be allowed to finish his answer.

MR. NELSON: All right.

A. I am not aware of the, any submissions of the rules of how many bulbs would be submitted to any particular customer.

Q. (By Mr. Nelson): You are not aware of any such computation, at least, that you have prepared?

A. Well, I guess — I guess I don't understand what you mean by "computation".

(39)

Q. Have you submitted any data or work sheets, spread sheets, to the Commission in respect to the question of how many bulbs a customer should be entitled to receive under the bulb program?

A. Not to my knowledge.

Q. And with respect to the specifications of these bulbs, such as comparing bulbs with different lumens, hour life, wattage, safety features, have you ever submitted any spread sheets or cost data to the Commission contrasting or comparing different bulbs?

A. I have not, and I am not aware of any that have been.

Q. Have you ever submitted to the Commission any spread sheets or cost data to determine within the language of the, of the rate sheets, those bulbs that were approved for the program and those that were not to be approved?

A. No, I have not, or I am not aware of any that had been.

Q. Have you ever submitted to the Commission any spread sheets or cost data with respect to various kinds of lighting devices, and comparing them, such as fluorescent tubes, mercury lights, incandescent light bulbs, or other forms of lighting devices?

A. Now you are speaking strictly of the home or business use of these lamps, and not of our street lighting programs, and things of that nature?

(40)

Q. That is correct.

A. No, I have not seen any.

Q. Have you ever submitted any cost data?

A. No, I have not submitted any.

Q. Have you ever submitted any spread sheets or cost data to the Commission comparing or contrasting different methods of distributing light bulbs, whether they be through your own offices, through an agent or by delivery truck?

A. No, I have not.

Q. Have you ever submitted to the Commission any spread sheets or cost data directed to the issue as to what would distinguish Detroit Edison from any other public electric company which does not furnish light bulbs?

A. No, sir.

Q. To your knowledge, has there ever been any study made by Edison with respect to why it, in its program, would furnish bulbs, whereas other Michigan electric utilities do not?

A. This would be only a, a knowledge of the higher light levels and the greater utilization, in this particular area, because of the lamps being provided, but I am not aware of a, a study to determine why we give free light bulbs.

But I — it is a little bit dislocated here, because I am aware that the, the wattage of, of the lights of our customers is a higher level wattage (41) than in other areas. But I have never submitted anything of that nature.

Q. With respect to your own department of rates and regulation, have you ever participated in any Michigan Public Service Commission proceeding wherein there was consideration given to the method of controlling the light bulb program, or creating reporting requirements for it?

A. No, sir.

Q. Have you ever participated in any Michigan Public Service Commission in reference to your own department, certainly, at which there was at issue the question of what

is the best method to light residences or commercial establishments?

A. No, sir.

Q. Have you ever participated in any proceeding at which the question was considered by the Commission, or for which you submitted any spread sheets or cost data contrasting the fact that the residence rate permits the distribution of these bulbs to first time connections, whereas the commercial rate does not?

A. Could I have the question back. I have missed the first part of it.

Q. Have you ever participated in any Michigan Public Service Commission proceeding, or submitted any cost data or spread sheets to the Commission, where the question was considered (42) as to why the residential rate sheet would prescribe a supply of bulbs for first connections of residences but would not supply a first supply of bulbs for first time connections of commercial etablishments?

A. No, sir.

Q. Have you ever participated in any cost presentation to the Michigan Public Service Commission wherein it was considered, where a customer center should be located with respect to customer accessibility?

A. No, sir.

Q. Since the rate sheets that have been presented to us indicate that lamp renewals, both for commercial and residential, are to be made on the basis of the usage of electricity, have you ever submitted to the Commission any cost data or spread sheets with respect to a computation of usage in order to entitle one to receive bulbs?

A. No, sir.

Q. And, I take it, then, that there has never been any cost study or presentation of that type made to distinguish the uses of electricity in a residence for lighting purposes as distinguished from any other purpose?

A. Not to my knowledge, I don't know that one has been made.

Q. Have you ever presented any cost data or other similar material to the Michigan Public Service Commission concerning (43) what advertising standards, or advertising program, Edison should conduct relative to the bulb program?

A. No, sir.

Q. Have you ever participated in any proceeding with the Michigan Public Service Commission wherein it was under consideration the development of any accounting standards for Detroit Edison with respect to either the accounting department or your own department relative to allocating expenses of the light bulb program?

A. No, sir.

Q. Have you ever participated in any Michigan Public Service Commission proceeding wherein it was charged that Edison has violated the provisions of the light bulb program?

A. No, sir.

Q. Have you ever participated in any such proceeding wherein you were asked to submit cost data on the question of whether or not bulb users, large commercial users, or other classifications in the rate sheets, should be included in the bulb program?

A. No, sir.

Q. In the affidavit, Mr. Daniels, that you supplied as part of the motion — do you remember that affidavit?

A. Yes, sir.

Q. I redirect your attention to paragraph seven of your (44) affidavit. Do you have that before you?

A. Yes.

Q. In paragraph seven, it is indicated that the amount which constitutes the allowance for the cost of incandescent lamps exchange is not computed in a manner which affords the Detroit Edison Company a profit on those lamps which are exchanged, but rather that this amount is figured similarly to the expenses incurred for labor or fuel cost. Do you see that?

A. Yes, sir.

Q. It is true, is it not, that the rate of return that you described earlier of the Edison Company is computed taking into account, really, all of the expense of the bulb program, is that a fair statement?

A. Yes, just as the fuel and labor expenses are concerned.

Q. So that if the Detroit Edison Company realizes a, something left over to distribute to the preferred stockholders and to the common stockholders, that consideration has already been made in computation of the investment base to allow for the bulb program, has it not?

A. Computations were made for the investment — you mean a rate or return has been applied to the rate base?

Q. Yes.

A. There is an indirect, indirect relationship between the (45) expenses and the working capital, yes.

Q. So that if the system that you project should come to exact fruition when you compute the investment base and the working capital and the income, if the period you have chosen should, in fact, occur precisely in the next period, the return would include, would it not, a return of profit on all of the expense of the light bulb program?

A. No.

Q. Perhaps you can explain to me why that is not so.

A. What you have in the rate base is a working capital component which is partially based on what is called one-eighth or a forty-five days of operating expense. That is a portion, then, of the operating expenses that go into that rate base calculation.

Q. But are not all of the light bulb program expenses in the operating base?

A. In the expenses? The total expenses?

Q. Yes.

A. Yes, they are in the total expenses.

Q. And would not the buildings and such be included in the investment base?

A. Which buildings?

Q. The customer service centers.

A. All customer service centers are included in the base.

(46)

Q. So that actually in a cost accounting sense, am I correct in saying that even though it has not been allocated, that all expenses of the bulb program, buildings, labor,

et cetera, all of it, is included in the base on which the rate of return is computed?

MR. SKLAR: Off the record. Let us talk for a second.

(Discussion off the record.)

Q. (By Mr. Nelson): Is it advantageous in the computation of the investment and working capital base to add as many expenses to that as is permissible?

A. I guess you do not add expenses to the base. That is —

Q. In computing the base.

A. Well, in one small portion of the working capital, there is a, a reflection of expenses in there, yes.

Q. I thought we had agreed that all the expenses of the bulb program were somewhere either in the investment base or else in the working capital base?

A. Well — what we had agreed to, I believe, is that the investment for the customer offices is included in the net plant.

MR. SKLAR: Let me see if I can just maybe get into it.

MR. COHEN: Off the record.

(47)

(Discussion off the record.)

CROSS EXAMINATION
By Mr. Sklar:

Q. In order to operate, Detroit Edison has to bring in more revenue than its expenses; I think that is axiomatic, don't you agree?

A. What do you include in expenses there? Is expenses — ?

Q. I am including everything you included as expenses, eliminating — well, in including everything you included as expenses. Whatever you want to define as expenses.

A. If you are talking about expenses being, or not including return component, then —

Q. I am talking about excluding the return component. I am speaking strictly of what in traditional accounting

sense would be considered expenses that are deducted from revenue before defining net profit.

A. In that case your revenues have to exceed your "expenses".

Q. Okay. And I will go so far as to ask you in the case of Detroit Edison — strike that question.

So in order for Detroit Edison to make a profit — and by "profit" I define for our purposes the items that you indicated to be returned on, on investment, the interest on its bond indebtedness, its dividends for stockholders, and in addition to its retained earnings to common shareholders — in order to generate a profit, (48) Detroit Edison must sell or otherwise dispose of certain profits or services for more money than it paid to receive, to acquire them, isn't that correct?

A. Paid to acquire them? They paid the stockholders something —

Q. I am eliminating —

A. Okay.

Q. I am eliminating what it had to pay to acquire cash for capital investment purposes. I am simply saying, in order to sell the services which it is able to sell, and the, in the ordinary course of its business, as distinguished from the sale of its capital assets, in the ordinary course of business, its property, tangible personal property, that it sells in the ordinary course of its business, or distributes in the ordinary course of its business, including light bulbs, it must sell or distribute all of them, all of these things, for more money than it cost to acquire them?

A. Under that premise, that the return component is not included in it, yes.

Q. That is correct? Okay.

In that sense that I have just described with lamps which are used in the exchange program being a personal property which Detroit Edison distributes in some fashion, does not Detroit Edison, and in view of the fact that the cost of that, of acquiring those bulbs, (49) the expense, are included your expenses for the purpose of calculating a rate, does not Detroit Edison make a profit on its bulbs?

A. They include the total cost into the, their expenses —

Q. By "cost", you mean the cost of purchasing those bulbs?

A. Buying the bulbs.

Q. Right.

A. I guess I am — I don't see your, your connection there; because the expenses are included in the total cost. So the expenses are covered by revenue.

Q. That is correct. But you get more revenue than you have expenses, if we rule out interest on bond indebtedness, and so forth, and return as a cost. Revenue is more than your expenses. We have already established that.

A. Would you back up and tell me where we have established that. Is that your hypothetical, that in order to make a profit on the business, you, the revenue has to be greater than expenses?

Q. That is correct.

A. That is fine for the business by itself. I am a little mystified as to where we got the, the establishment that it is the case with the lamps.

Q. Well, I am asking you. We did not establish it yet.

A. Okay.

(50)

Q. I am asking you a question, and if you want to answer "no", then, you can answer it "no". It just seems to me almost, almost a foregone conclusion that the answer would be "yes"; but you certainly are able to answer "no", if you want to.

MR. COHEN: I think the record should show he already answered "no" once. I think the same question was asked by a previous question, and that you have asked him for an explanation of his "no" answer, and then you come back with a question again.

MR. SKLAR: That is correct. I am attempting to see if we can identify the thinking that went into that "no" answer, and perhaps we can get a "yes" answer. It may simply be a question of definition, and since we are, since we are attempting to establish concepts, and not, and differences in definitions could come up with misleading, unintentionally misleading answer, it might be misleading to

the court, to the parties, I simply want to know an answer in terms of concepts that I understood them and establish an answer in terms of that.

MR. COHEN: I might say that the statement, the statement you made for the record in regard to understanding of concepts could lead to misunderstanding of answers, in terms of answers, it could also lead to misunderstanding in terms of questions that are being asked.

(51)

MR. SKLAR: Okay.

A. If you have expenses of purchasing those bulbs, they are going into the total expense of the, the utility. If they come out — you have a purchase cost which the company is paying for the bulbs, and that is included in the total cost of the program. Total overall cost, then, comes down through the, the income statement.

Now, there is no markup on those bulbs.

Q. (By Mr. Sklar): Well, you do not charge any money for them.

MR. COHEN: I would respectfully request he finish his line of thinking.

The question was "Why"?

A. The bulbs are, are not added into the total cost with a markup such as GE or Westinghouse or whoever might place on them. They flow through at the expense of the cost the company receives them at.

The, I guess along the line that the other gentleman was speaking: He asked whether the stores or shops were included in the rate base. Yes, they are included in the rate base. But I don't, I disagree with the premise that they are there for the lamp bulb program. Maybe this is where we are having our hangup.

Q. (By Mr. Sklar): No, I don't think we are having a hangup. (52) I just —

MR. COHEN: I am going to object to any further questions. The question that was originally asked him was why he said: No, there was no profit.

I understand you have answered why you think there is no profit in the lamp bulb program, is that correct? And you have made your statement.

But I don't want, I am not going to let the witness get into a situation of arguing with counsel as to what he means, rather than simply answering the question.

MR. SKLAR: I understand. Let me see if I am certain in my mind that I understand the reason for, for the answer "no", and correct me if I am wrong.

Q. (By Mr. Sklar): It is simply that the light bulbs pass through, that is to say, Edison pays a certain amount of money for the light bulbs to GE or Sylvania or Westinghouse, or whoever, that that cost, if it goes down because of a decreased use of the light bulb program in a year, will be reflected in a reduced cost in total expenses submitted in connection with some rate request in the future, either up or down. Is that the reason for your answer "no"? Maybe I don't understand. And if I don't, I want to understand why.

(53)

A. Yes.

Q. Maybe I am slow —

A. No. No.

Q. — in the matters of accounting, but I do want to understand why you answered "no".

A. The costs of the program as, if there were a reduction in the cost of light bulbs, then upon another rate case proceeding, that reduction would be reflected in the proceeding, would be included in the requirement that they, the company would have for that class.

Q. That would be true with respect to any commodity or service that you buy, if the cost of that commodity or service in any particular year went down, it would be reflected in the next rate change request?

A. Yes; if coal costs go down, if labor costs go down.

Q. So then, would you make the same statement about any other material that you buy, that you make no profit on it?

A. I guess we make profit on, on investment. I don't see that we make profit on expense.

Possibly I am not understanding, or not following your procedure. But the, the investments that we have are the basis for our profit determination, and that is the, the in-

dex or the base that is used to determine our profitability, or our profits. I don't see (54) a profit being made on a dollar's worth of labor.

Q. Detroit Edison sells electric energy and it sells certain other things, distributes or sells light bulbs, and I am speaking, let us say, distributes light bulbs, distributes products and services to the public, and it seems to me unless it makes a profit on what it sells it will not make a rate of return on its investment. Am I not correct?

A. The end result of your sales is that the difference between expenses and revenues will provide a rate of return, so all expenses are included in that calculation.

Q. Okay. And you would still maintain that you do not make a profit on the distribution, on your light bulb exchange program?

A. Can I go off the record?

MR. SKLAR: Sure.

(Discussion off the record.)

(Question read.)

A. Yes.

MR. SKLAR: Okay. Mr. Nelson, do you want to go on.

MR. NELSON: Okay.

(55)

RE-CROSS EXAMINATION
By Mr. Nelson:

Q. I am not sure if you have any familiarity with this aspect of the case or not. We were given by Mr. Nern several billing statements that are submitted to Edison customers, including, at least, eight or ten of them here, which are inked in showing the period during which they were in effect. Do you see those?

A. Yes, sir.

Q. And I have noted by looking at these that on the one that is marked October, '73, to date, there is a box: State tax.

A. Yes, sir.

Q. And that on the one that is marked 10-73, similarly there is a box marked "State tax". Do you see that?

A. Yes, sir.

Q. For the one that is marked from November of '72 to September of '73, similarly there is a box marked "State tax".

A. Yes, sir.

Q. And that those that are prior to the last mentioned date do not have on the customer billing a similar box.

A. Those that you have in, are the, the coupons that you are showing me, do not have that box, that is correct.

Q. Do you have any knowledge about the inclusion of the box on the customer's bill after October of 1972 in which that particular box captioned "State tax" was included?

(56)

A. The only knowledge that I have of, regarding that, was recollection of the discussions on changing the bill form. I was not an active participant in the change, but I, I am aware that there were changes made to that bill form, but I cannot say why the box was or was not there prior to that date.

Q. But in addition to being a mere change of the form, it has to do with the question of whether or not prior to that date customers were charged a state tax, is that true? Because on previous bills they are not charged as state tax.

A. That — I don't think that statement can be made without knowing what was in the total.

Q. Well, I will readdress the question, then. On the statement marked from January of '72 to October of '72, do you see any separate category of charges on there that is denominated as "state tax"?

A. There is no indication that there is state tax in the bill. However, there is nothing to say that state tax was not included in that bill.

Q. At least it is not stated as a separate category?

A. It is not separately noted.

Q. And there are on these bills, are there not, certain code numbers or the like relative to the particular item?

A. There are various boxes —

(57)

Q. For example, I see a "PB", and down below it says "PB" means previous balance.

A. Yes, sir.

Q. "BPA", balance previous account; "EW", electric water heating included, and the like. Do you see any indication on there that there is any computation on the bill of the state tax?

A. There is nothing of a state tax, nor of a federal income tax, nor any other tax listed.

Q. In paragraph eight of your affidavit that was filed with motion for summary judgment — do you have that before you?

A. Yes, sir.

Q. — you have indicated that the Michigan Public Service Commission reviewed the Edison rates. Do you see that?

A. Yes, sir.

Q. Have we covered all aspects of your knowledge on which that has occurred?

A. They have been reviewed through the procedures of the rate cases that we have discussed.

Q. And the character of that review, as you know it, and of your knowledge, has already been described by you, has it not?

A. I believe that we have discussed the, all points, other than — I am sorry — other than comment that, and discussions that I have had with staff members, but this was not on a study (58) basis, it was more of a —

Q. Informal — ?

A. I guess informal awareness.

Q. But as far as any formal review is concerned, we have covered all facets of it?

A. Yes. If you consider that the Commission audits the company's books for purposes of the rate cases, we have covered it, yes.

Q. When Mr. Cohen indicated that earlier, I take it you are speaking of your, an audit of your general accounts such as you have described elsewhere in these interrogatories, a administrative expense and the like, is that what you are saying?

A. The Commission sends a staff in to the company of possibly four men, and they spend four or five weeks reviewing the expenses which are stated on the books of the company for the test period that we are using as, using for the rate case. So they review all of the expenses on our books. So it is — I believe you said the general accounts of the company are reviewed — yes.

Q. In paragraph nine of your affidavit, you indicate that never has the Michigan Public Service Commission determined the lamp exchange program was either unreasonable or otherwise unlawful.

(59)

Do you know of any specific determination of the Michigan Public Service Commission determining that the lamp exchange program was reasonable?

A. I guess by the fact that they have approved our rates while they excluded certain expenses, is just, is, in my understanding their approval that the lamp exchange program is reasonable.

Q. And similarly, would you say with regard to the question as to whether or not it was lawful?

A. I would also say that their approval of the rates indicates that it is lawful.

Q. But they have never in any written document that you know of used any of the terms "reasonable", "unreasonable", "lawful", or "unlawful" in connection with the lamp exchange program?

A. I am not —

MR. COHEN: I am going to object to the way the question is asked, and I want to state the nature of my objection, because — I don't mean it to be disruptive — but when you say as to the nature of the program, if you are talking about the nature of the program, as such, I understand your question. If you are talking about the nature of the program generally, I think he has testified when they approve the tariffs that we file that include our description of the

lamp supply program, there is a hearing, (60) and if the entire tariff is specifically approved, they have indeed found the lamp supply program as it is included in the tariff is both lawful and reasonable.

Now, if your question is whether they have ever separately found that the lamp supply program, as such, is —

MR. NELSON: That is the question.

Q. (By Mr. Nelson): Have they ever separately found the lamp supply program, as such, is either reasonable or lawful?

A. Completely by itself, I am not aware of such a finding.

As a part of the various domestic space heating and general service rates, by their approval of the specific rate sheet, I believe them to be designating that they, the practice is reasonable and lawful. They have not used the words.

Q. Then your, the statement, the statement in paragraph nine of your affidavit, then, is based upon your belief, is that correct?

A. It is based upon the approval of the Commission of these —

Q. And your belief as to what that means, is that correct?

MR. COHEN: I am going to object to that question as being argumentative; it is based upon the ruling of the Commission.

MR. NELSON: He did not say that, (61) Mr. Cohen. He said that this was his belief.

Q. (By Mr. Nelson): Is that true, witness?

MR. COHEN: Let us have the question back.

(Question and answer read.)

MR. COHEN: What does paragraph nine read in your affidavit?

A. Paragraph nine —

MR. NELSON: I shall read paragraph nine for the record. That never has the Michigan Public Service Commission determined that the lamp exchange program was either unreasonable or otherwise unlawful.

MR. COHEN: He has stated positively that they have

never done that. It is not a question of his belief of paragraph nine; he answered that one specifically.

Q. (By Mr. Nelson): And, I guess, to straighten this out, we will withdraw the last question, and ask again if you know of any order, document, given to Detroit Edison by the Commission in which they state that the program is reasonable, unreasonable, lawful or unlawful?

A. Those specific words?

Q. Yes.

A. No, I am not aware of any of those specific words.

(62)

Q. And isn't it a fact that in your rate cases that are submitted to the Commission with these various rate sheets that are now Exhibit 4, are considered, they deal, really, with just volumes of, of accounting data and information that you prepare for the Commission in order to justify a rate change? That is true, is it not?

A. Volumes can be anything from what is on the table to a roomful. I cannot answer the question in that manner.

Q. All right. Is it a roomful?

A. No.

Q. Certainly, it is a rather complex hearing, is it not?

A. Hearings are complex, yes.

Q. Involving all of your costs across the full gamut of what Edison does?

A. Very complete reviews are made of the operation of the company, and the staff of the Commission provides an audit which indicates the reasonableness of the expenses and revenues of the company.

Q. So that those audits that you are talking about are general audits that reach actually into all facets of your operation, is that not true?

A. The audits are very wide ranged in their nature.

Q. You are not suggesting to us or to the court through this affidavit, that the Commission has specifically come here and (63) reviewed only the lamp bulb program, are you?

A. No, I have not —

Q. And you are not suggesting by your answers here that the Michigan Public Service Commission has come in here and reviewed or audited only the lamp bulb program?

A. No, sir.

Q. That has never happened, has it?

A. Not to my knowledge.

MR. NELSON: Do you have anything further?

MR. SKLAR: Just a couple.

RE-CROSS EXAMINATION
By Mr. Sklar:

Q. From what I understand, Mr. Daniels, from what went on early this afternoon, whatever data has been submitted to the Michigan Public Service Commission with respect to the light bulb program is financial data dealing with cost?

A. To my knowledge, that is the data that has been provided, yes.

Q. So that if the Michigan Public Service Commission has reviewed anything about the program, assuming they have reviewed something about the program, it would be the costs or expenses relating to the program?

A. At the time of their audit, I am not entirely sure how much they may have discussed with the marketing or the — mostly (63a) marketing, but, possibly purchasing, other aspects, so —

Q. But as far as you know.

A. My knowledge would be only in the financial area.

Q. Okay. So that you do not have knowledge, do you — strike that one.

So you can only testify from your own knowledge they have reviewed the cost of the program, if they have reviewed anything?

A. Yes. Yes.

Q. Okay. Would it be a more accurate statement of your assertion in paragraph eight of your affidavit, that on many occasions the Michigan Public Service Commission has reviewed the cost of Detroit Edison's customer service programs, including, among others, the lamp exchange

program and the appliance program? Would that be a more accurate statement than the one that is there?

MR. COHEN: For the record, at this point, would you read the one that is there, number eight.

A. That on many occasions the Michigan Public Service Commission has reviewed Detroit Edison's customer service programs, including, among others, the lamp exchange program and the appliance repair program.

I don't think that I can say just the costs, because I am —

(64)

Q. (By Mr. Sklar): I am only saying insofar as your knowledge is concerned, your affidavit?

A. Well, I guess on the appliance repair program, because I have just gone through the rate case, I am aware that — I guess the costs —

Q. May I make a suggestion. And the suggestion is — I am sorry. Is the "yes" an answer to my previous question?

MR. COHEN: He has not answered your previous question.

Q. (By Mr. Sklar): I was going to make a suggestion that we eliminate reference, in my hypothetical statement, to the appliance program, and looking at your paragraph eight only as it relates to the lamp exchange program.

A. Okay. Under the lamp exchange program, it would be the financial costs relating to it.

Q. That would be a more accurate statement?

A. Just on, just in relationship to the lamp exchange program.

Q. Okay. Now, and it is also my understanding that you, you base your opinion that the Michigan Public Service Commission has reviewed the cost of the lamp exchange program upon what you know to be the submissions to the Michigan Public Service Commission and what you know to be their procedures, their internal procedures, as well as your, the observable fact they have come down here and, and (65) audited your expense accounts?

A. For rate case purposes.

Q. Okay. And that is the basis upon which you came to the conclusion they have reviewed the cost of the lamp exchange program, is that correct?

A. Yes, sir.

Q. Okay. Approximately how long does a rate proceeding take from the time that you file, from the time that you initiate the proceeding, until you complete the testimony of the hearings?

A. They are varying lengths of time. The shortest case that we have had was a seven month case. The longest one was approximately twenty-one months.

Q. Okay. That is not a five day a week, nine to five deal, consecutive days, is it?

A. No, sir.

Q. Okay. But when a rate case is in process, it does consume a great deal of time and effort, I would assume, of the department which you head?

A. There are certainly peaks and valleys as far as the time spent on rate cases.

Q. Okay. Would it be fair to characterize you as the, the principal orchestrator of how the, the company's evidence gets presented to the Commission?

(66)

A. I guess I would have to say that the, there is a matter of policy in determining the method in which we will present various exhibits and who the, the witnesses would be. I would have recommendations to that selection, but I cannot say that I would have a final decision on how to present a case.

Q. But once that decision is made as to presentation, would you be responsible for seeing that it is carried out?

A. A large portion, I would have a direct responsibility. The — it would be shared. I would not have the entire responsibility.

Q. Okay. This may be going over ground we have covered before, but just very quickly. The spread sheet, which is Exhibit No. 3, I understand, was part of a much larger

batch of documentary information submitted to the Commission, to the Michigan Public Service Commission.

A. Yes, sir.

Q. In response to their request for more detailed data with respect to expenses, is that not correct?

A. It is a, in response to the, the requirement to properly back up your exhibits, and so it — yes, the requirement is that the work papers that support the exhibits must be submitted.

Q. Okay. Was that a comment offered by the Michigan Public (67) Service Commission as to this particular portion of that submission by this particular portion? I am referring to all of Exhibit 3.

A. I don't think it was a comment on that specific portion. It was more a part of their rules which were promulgated this past year, last December, that required work papers to be submitted with the case and thereby a full explanation.

Q. Okay. Now, I think you alluded to the fact that a good part of the hearings before the Michigan Public Service Commission are taken up with objections by various intervenors and other witnesses to the inclusion of expenses and to the inclusion of certain items in the rate base for purposes of calculating your return. Is that correct? You did make that statement, I think, before.

A. I made the statement that the, the hearings are involved. The adjustments to the, the book, income statement, and that the company submits a number of adjustments which are cross-examined by both the staff of the Commission and the intervenors. Then the Commission staff and all interested intervenors submit adjustments that they feel are appropriate, and they are cross-examined by the other parties.

I don't know that I, I indicated a time span, but it is a good portion of it.

Q. Okay. And is it true that as a result of objections and (68) the statements of intervenors, that items are excluded from time to time, of expense?

A. There are items that have been judged to be unallowable by the Michigan Public Service Commission.

Q. Okay. And I gather from what you said, the Public Service Commission will initiate questions itself of expense items in addition to having questions raised by members of the public appearing as witnesses?

A. The Public Service Commission, as either the examiner or the — in the first case, the Commissioners sat on the bench, and from time to time would ask questions for clarification or for, I guess, additional information.

Q. Okay. And to your knowledge, has any member of the public in the way of an intervenor, or a member of the Commission, raised a question concerning the expense item included specifically in your book statement, as you said, reflecting the expense of the light bulb program?

A. No, sir.

Q. Okay. This is a question that is kind of in the form of a statement. I just want to see that I understand these various financial data, and correct me if I am wrong. I suppose I should say is it correct that the only item of expense relating to the light bulb exchange program which has been specifically identified in any filing made with the (69) Michigan Public Service Commission, is the cost of purchasing lights, light bulbs, from the various suppliers, that additional expenses relating to the light bulb program but which are not allocated to the light bulb program may be, and are, some portion of labor expense, land expense, taxes, heat, light, insurance, and similar operating expenses in connection with the service centers, that neither, that none of those expenses —

MR. COHEN: I don't mean to cut you off, but could we break it down into three parts. It is so long. Get the answer to the first part, and the second question and his answer, and the —

A. I agree, it is very long.

Q. (By Mr. Sklar): The first part, is that a correct statement? The only identifiable expense tied directly to the light bulb exchange program submitted to the Commission is the cost of purchasing light bulbs from the suppliers?

A. Direct assignment?

Q. Yes.

A. Direct assignment is only the light bulb expense.

Q. Okay. That there is some, the second part of my question-statement, is that there are some additional expenses incurred by Detroit Edison that are in generally accepted accounting principle terms allocable to the light bulb program and that (70) these would be, for example, part of the cost of operating the service centers where light bulbs are exchanged, some part of advertising and sales promotion, and some part of administrative expenses within the company?

A. The expenses that are included in the administrative in general accounts are allocated to the program, in addition to some of the marketing labor that is associated with the program. That is allocated, too.

Q. But they have not been allocated on any filing submitted to the Michigan Public Service Commission?

A. There is an allocation in that Exhibit 3 that shows that.

Q. Okay. But prior to that, there has not been, to your knowledge?

A. Prior, that is right. That has not been submitted to the Michigan Public Service Commission.

Q. The third part of my question is that there are certain capital improvements — strike that.

The third part of my statement is that the rate base in the applications of good accounting practices might be reasonably viewed as being investments made to support the light bulb program upon which, to support the light bulb program, and that these would include some portion of the cost of service centers, some portion of the working capital aspect of the rate base, that forty-five day (71) working capital, and some portion of, of general building and office supplies, and the like, in corporate headquarters that have to be used in some way in connection with the light bulb program. Is that a fair statement?

A. Could I have that read back.

(Question read.)

MR. SKLAR: Strike that question.

Q. (By Mr. Sklar): Isn't it true that the capital investment of the company upon which a return is sought, which

is used as a basis for establishing a rate, includes some of the, includes certain investment in service centers and certain investment in equipment and furniture and fixtures in the general offices which might properly be attributable to the light bulb exchange program, and that in addition the rate base includes a factor of working capital, forty-five days of working capital, part of which is used to, is set aside in anticipation of costs relating to the light bulb program?

A. I guess I cannot agree with that. I don't agree with that.

Q. You don't?

A. No.

Q. Let us identify what portions you disagree with. Do you disagree that part of the investment in service centers must, in application of good accounting practices, be allocated to support the light bulb program?

(72)

A. I would disagree with that in the context that the elimination of the program won't change the, the investment at those locations.

Q. Is that a statement of fact or an opinion on your part?

A. That is an opinion. I don't — I am not positively sure that there would be absolutely no change. It is more — it is an opinion.

Q. Okay. Do you disagree with that part of my statement that one of the investments in furniture, fixtures and equipment in the general offices in the application of good accounting practices must be viewed as incurred to help support the light bulb exchange program?

A. Yes, I do.

Q. Okay. And do you agree with that portion of my statement that the working capital portion of the rate base also includes funds which, or funds which are anticipated, which are anticipated will be used to support the light bulb program?

A. There is a small amount of funds in the working capital.

MR. SKLAR: Okay. I have no other questions.

MR. NELSON: We are going to go back on this tomorrow, anyway, I take it?

MR. COHEN: We can finish it up.

(73)

MR. NELSON: I have no questions at this time.

CROSS EXAMINATION
By Mr. Cohen:

Q. Is it my understanding that in 1964 Detroit Edison asked the Michigan Public Service Commission for permission to reduce its rates?

A. Yes, sir.

Q. And that as part of their submission, they asked permission to drop, or at least modify a program under which certain commercial users of the light bulb program had the option either to pay a rate which involved free exchange of light bulbs, or pay a lesser rate and not get the free exchange of light bulbs?

A. Yes, sir.

Q. And the Detroit Edison specifically asked the Michigan Public Service Commission for permission to remove the option aspect of that rate?

A. Yes, sir.

Q. And did the Michigan Public Service Commission specifically give Detroit Edison permission to make that particular change in their light bulb program?

A. They specifically ordered the company to make that change.

Q. And was that after a hearing?

A. It was not a formal hearing, but it was a hearing before (74) the — the members of the Public Service Commission were presented the information, and then issued the order eliminating that option.

Q. Now, in Defendant's, or Plaintiff's —

MR. COHEN: Off the record.

(Discussion off the record.)

Q. (By Mr. Cohen): Now, on Plaintiff's Exhibit 4, the third page is entitled "Domestic Service Rate". At the top, it states M.P.S.C. number 7. At the bottom it states issued: August 19, 1972. Do you have that before you?

A. Yes.

Q. This domestic service rate includes, reading down the left hand side: availability of service; hours of service; current, phase and voltage; rate per month; discount; minimum charge; lamp supply; contract term; water heating service, is that correct?

A. Yes, sir.

Q. Is it a fair statement, then, that when you, in fact, are filing for a rate or a change in a rate, that the term "rate" includes the kind and availability and hours and other aspects of service which you desire to furnish your customers, in this case the domestic customers, pursuant to a specific rate schedule?

A. Yes, sir.

(75)

Q. So that a rate hearing is something more than, something more than just to determine specific rates; it does, in fact, determine the rules and regulations under which Edison must provide service pursuant to specific rates, is that correct?

MR. SKLAR: I will object to that question because I think that is asking for a legal conclusion. I think it is argumentative.

Q. (By Mr. Cohen): He made his objection. Would you answer the question, please. Is that correct?

A. That is correct.

MR. SKLAR: And I want to move, also, the question and the answer be stricken on the record.

MR. COHEN: I think for purposes of the record, that the, that any objection to a question, or any objection to a question I make, or you make, I think we can stipulate reserves that question for the right at a later time to strike should it be presented at the trial.

MR. SKLAR: Okay.

MR. COHEN: I think we should go farther. The failure to object to a question also does not mean any consent to the form of the question involved.

MR. SKLAR: Okay.

Q. (By Mr. Cohen): Now, on that same sheet —

MR. SKLAR: Jerry, let me say this on (76) that last point. I think it is a rule in the Federal Courts all over, not just here — I know in Chicago in the Northern District of Illinois, there is no such thing as a discovery deposition; that all depositions can be used for evidentiary purposes, if the witness is not available.

MR. COHEN: Right, if the witness is not available.

MR. SKLAR: So, consequently, if there are objections to questions, I suppose the objection can be raised at the time —

MR. COHEN: Let me say, this is an important question, because your right to ask questions on discovery is quite different from your right to ask questions during the course of a trial.

MR. SKLAR: Yes, that is true.

MR. COHEN: And that is why I have always assumed, and I think correctly, you may always object to any question and answer in a deposition when that deposition is intended to be used at a trial as a substitute for the witness himself.

MR. SKLAR: Right.

MR. COHEN: Because the rules of, the rules are different.

MR. SKLAR: All right. I see. I see.

(77)

MR. COHEN: In other words, I have specific —

MR. SKLAR: Yes. I see. You are correct.

MR. COHEN: You are entitled here to explore anything relevant to the proceedings or that would lead to something that would be significant.

MR. SKLAR: That is right. You can raise the objection. If a deposition under the rules is going to be offered as evidence, and under the rules can be admitted into evidence, that you have a right to object to specific questions

and answers at the time of the pro-offer of the deposition, without our even stipulating to it.

Q. (By Mr. Cohen): Now, on the right hand side in the bottom of this same sheet it states: Effective on service rendered on and after August 19, 1972 under authority of order of the Michigan Public Service Commission, dated August 18, 1972, in case U-3910.

A. Yes, sir.

Q. And are you aware that, in fact, there was an order issued by the Commission in regard to this particular proceeding?

A. I am aware of the order.

Q. Now, B-5.5 states: Lamp supply. I am sorry. Strike that.

Under lamp supply on domestic service (78) rate I just read from in the M. P. S. C. number seven, it states: See schedule designation B-5.5. Is that correct?

A. Yes, sir.

Q. Turning back to the first page, which states "original sheet number B5, M. P. S. C. number seven?

A. Yes.

Q. Under rules and regulations — continued. Do you see that?

A. Yes.

Q. There is stated: B-5.5. Lamp supply: Incandescent lamps will be furnished without extra charge:

1 To residences connected for the first time to the company's lines, in such quantities as may be needed for all permanent fixtures.

2 As replacements of approved burned out lamps in proportion to the use of energy for lighting purposes under the applicable rate.

Do you see that?

A. Yes.

Q. And, apparently, according to the notation on the right hand side bottom, these rules and regulations were

approved under authority of an order of the Public Service Commission, is that correct?

A. Yes, sir.

Q. Now, as a matter of fact, any change that you desire to make (79) in rules and regulations that have been adopted only after an order of the Commission must, in fact, be presented to the Commission for permission to make that change, isn't that correct?

A. Yes, sir.

Q. And the Commission must give specific authority, and issue an order approving a change in any of these rules and regulations before Edison can, in fact, change them, is that correct?

A. Yes, sir.

MR. SKLAR: May I see that.

Q. (By Mr. Cohen): And isn't it also true in the hearings in which, that in the petitions you have filed, and since 1947, with the possible exception of the 1965 request, all of your so-called rate filings included changes you desired in the rules and regulations under which you were operating, is that a correct statement?

A. All rate filings were requests for some change to the rules, rates, rules and regulations. It was a change that was taking place.

Q. And in all of those hearings, with the possible exception of 19 — in all of those applications, with the possible exception of 1964, the Commission held an actual hearing on your application, is that correct?

(80)

A. No, it isn't completely correct, because there are changes which are made upon a, a meeting of the Commission, and after they have determined whether there is an effect on a customer or not, they then determine whether a physical hearing must be held other than their normal Commission meetings. It is possible for the Commission to issue an order without formal hearing. But it does require a Commission meeting before they can issue that order.

Q. Well, is it possible for the Commission to change a

rate or a rule and regulation affecting the conditions of domestic or commercial service without a meeting and an order?

A. No, sir.

Q. And since 1946, there has, in fact, been changes made in the specification of your lamp supply program as approved by the Commission, is that correct?

A. Would you expand on that. You say specification. If you mean the change in the option and things of that nature — ?

Q. I am talking about the change of the option and such changes as the number of bulbs that may not be exceeded in a single residence, for instance.

A. The option was certainly changed in '64, and there is reference, change in reference to the number of lamps to any one residence. That has occurred in that period of time.

Q. Well then, is it not an accurate statement that on many (81) occasions, as you set forth in section, in paragraph eight of your affidavit, that the Public Service Commission has reviewed Detroit Edison's customer service programs, including, among others, the lamp exchange program and the appliance repair program?

A. From the rate sheets, the changes that have occurred on the rate sheets, yes.

MR. COHEN: I have no further questions.

MR. SKLAR: May I see that exhibit?

RE-CROSS EXAMINATION
By Mr. Sklar:

Q. Mr. Daniels, these rate sheets are — it says issued by R. W. Hartwell, Executive Vice-President for Finance. Are these printed by Detroit Edison, or are these printed in, by the Commission?

A. The rate sheets are printed by Detroit Edison after the company receives an order which is attached the specific rate sheets, or the, a rate sheet. We are then directed to print the rate sheets and file them with the Commission for their concurrence that we, we have followed their order,

and you will notice that on each sheet is a stamp of the Commission on which it was filed.

Q. Yes. I see that. These are not the rate sheets that are in this form filed at the commencement of a rate proceedings, (82) then, are they?

A. They are basically in the same form, but they —

Q. Do you have copies of the forms that are submitted at the time a rate proceeding commences?

A. I have them in my office. I don't have any right here.

Q. My only question is, of course, that the deposition asks for what was submitted, or, rather, the interrogatories. I would like an opportunity to look at those, tomorrow morning.

A. Certainly.

MR. COHEN: It is my understanding that you submit a proposed rate sheet and proposed rules and regulations to the Commission almost in the form of a tariff, is that correct?

A. Yes, sir. It looks like this, except maybe those bottom parts, the issue and the executive date would be blocked out. But, otherwise, it would be the same thing.

MR. COHEN: And then if the Commission, after they have met, issues an order adopting, or after, after a hearing, issues an order adopting the rate sheet and the rules, the rules and regulations to which they refer, as you filed them with the Commission, if that is approved by the Commission, then you proceed to send copies, new copies to the Commission?

(83)

A. No. They attached the, really, copies of our submission, if they have approved it in whole. Otherwise, they may attach a copy of something that has had a, a rule has been replaced or changed in there by their direction.

MR. COHEN: If that is done, then you reprint those particular pages, is that correct?

A. Yes.

MR. COHEN: And resubmit them to the Commission?

A. Then we submit them to the Commission for filing and for concurrence that we followed their order.

Q. (By Mr. Sklar): So there is no material difference between what you start out with and what you end up with?
A. If they agree.
Q. Once the Commission changes it, the only difference is this at the bottom and the "filed" statement?
A. Yes. Right.
MR. COHEN: That's right.
MR. SKLAR: Off the record for just a second.
(Discussion off the record.)
MR. SKLAR: That's all.
MR. COHEN: Thank you very much, Mr. Daniels.
(Deposition concluded.)

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Deposition of George L. Lahodny

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(4)

GEORGE L. LAHODNY, called as a witness for cross-examination under the Federal Rules of Civil Procedure, being duly sworn by the Notary Public, was examined, and testified as follows:

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CROSS EXAMINATION
By Mr. Sklar:

Q. Would you state your name, sir.
A. George L. Lahodny.
Q. And where do you reside, Mr. Lahodny?
A. Marine City, Michigan.
Q. And the exact address?
A. 6747 Meisner Road.

Q. Okay. And you are employed by the Detroit Edison Company, (5) are you not?
A. Yes, sir.
Q. And you are an officer of that company?
A. Yes, sir.
Q. And what office do you hold?
A. Executive Vice-President for customer and marketing services.

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(9)

Q. (By Mr. Sklar): Is it your understanding, Mr. Lahodny, that the light bulbs which are distributed to Detroit Edison's customers in the light bulb program are exchanged or are sold?
A. Exchanged.
Q. I see. And what are they exchanged for?
A. A burned out light bulb.
Q. And what happens to the burned out light bulbs?
A. Just destroyed and put in the rubbish.
Q. I see. There is no value assigned to those burned out light bulbs?
A. No.
Q. When they are received?
A. No, sir.
Q. Do you have anything directly to do with the preparation of rate sheets which are submitted to the Michigan Public (10) Service Commission?
A. No, I do not.

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(11)

Q. (By Mr. Sklar): Do you have any knowledge or recollection, Mr. Lahodny, that Detroit Edison at any time has promoted or advertised its lamps as being free?
A. Yes, we have.
Q. Can you specifically indicate from your recollection when that might have been?
A. When it might have been?
Q. Yes.

A. I haven't checked that.
Q. Okay.
A. If you are looking for dates, I would have to check it.
Q. Yes. Or approximate dates or times.
A. I can't — I don't know.
Q. Okay. To your knowledge, is there — is it doing so now?
A. Pardon?
Q. Is it doing so now?
A. No, sir.
Q. It is not.
A. Except in our customers' offices where the customers come in to exchange light bulbs.
Q. I see. And what happens there?
A. They have a placard that indicates the size of the bulb for exchange.

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(14)

Q. So that for, you believe, that for, from approximately September, '73, until the current time, no similar letter is going out from Detroit Edison?
A. Sometime prior to that, we discontinued it, prior to September, in anticipation of a Commission order.
Q. Okay. Are you the author of this letter? Did you write this letter, or did someone else?
A. I had something put into it, but —
Q. Well, did you write this sentence here which is in the letter: Enclosed is some information about Edison services. You will note that we exchange burned out incandescent light bulbs and some appliance cords on a no charge basis?
A. No, I did not write that.
Q. Do you know who wrote that?
A. I imagine our customer relations group.
Q. Anyone in particular who might be, that you might have in mind who might have been the author of that statement?
A. No. There is four or five people that prepare material like this.

Q. In your opinion, is that a correct and accurate statement?
A. Yes.
Q. There is no charge — ?
A. For burned out light bulbs on an exchange basis.
Q. Okay. Even though you indicated earlier that, that Edison (15) somehow recovers its cost and that recovery is included in the rate?
A. That's right.
Q. Is it — what you mean, there is no charge imposed at the time they pick up the light bulbs?
A. At the time of transaction.
Q. But there is a charge at some other point in time, and that is included in the rate?
A. Part of the rate structure.
Q. Okay. Do you know whether the new letter which is being prepared in place of this letter includes the same or similar statement concerning the no charge availability of light bulbs?
A. I don't know. I would have to look and see. I am sure it does, but I am not certain.
Q. Okay.
A. I mean, I am not sure. I think it is, but I am not certain.
Q. Okay. Do you know whether — strike that question.
MR. SKLAR: Would you mark this as No. 7.

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(21)

Q. Okay. To your knowledge, Mr. Lahodny, has either Plaintiff's Deposition Exhibit 6, including the attachments of Plaintiff's Deposition Exhibit 6, which I would ask you (22) to look at before you answer the question —
A. Yes.
Q. — and Deposition Exhibit 7, ever been submitted to the Michigan Public Service Commission in connection with any proceeding before them?
A. I don't know.

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(34)

CROSS EXAMINATION
By Mr. Holstein:

Q. Mr. Lahodny, referring to Exhibit 4 attached to Defendant's answer to Plaintiff's first set of written interrogatories, being captioned "Customer relations routine instruction" —

A. Is that the one I looked at earlier?

MR. SKLAR: Yes.

Q. (By Mr. Holstein): Were those instructions ever submitted to the Michigan Public Service Commission or any of its predecessors?

A. I don't know.

(35)

Q. Did anybody from the customer relations department in market services ever request that that information be submitted to the Michigan Public Service Commission?

A. Not to my knowledge.

Q. Did anybody from marketing or the public relations department of the company feel any need to submit that to the Michigan Public Service Commission for approval?

A. I don't know.

Q. May I have it back, please.

A. Sure.

Q. Would you look this document over, sir; and have you had an opportunity to familiarize yourself with the total contents of it?

Now, with regard to the contents of the document, is there any item contained therein ever submitted to the Michigan Public Service Commission or any of its predecessors?

A. I don't know.

Q. Has anybody from marketing services or customer relations ever suggested that any of the contents of that document be submitted to the Michigan Public Service Commission?

A. I don't know.

Q. May I have it back, please.

A. Yes.

(36)

Q. Did the Michigan Public Service Commission or any of its predecessors ever request any information that might be contained in this document?

A. I don't know that, either.

Q. What filings do the customer service relations department and/or the marketing department of Edison, submit to the Federal Power Commission?

A. I don't know. That is usually coordinated by someone else in the company.

Q. Who does that?

A. The financial area.

Q. Who in the financial area would be the best one to talk to about that?

A. I imagine Ron Daniels. I don't know.

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(41)

Q. Referring to Exhibit 8, which includes the survey on use of (42) customer offices, market analysis made in 1970, has the information contained in this document ever been submitted to the Michigan Public Service Commission?

A. Not to my knowledge, no.

Q. Has anyone from the company ever suggested that it be submitted to the Public Service Commission?

A. Not to my knowledge.

Q. Has the Michigan Public Service Commission ever requested that such a survey be made?

A. No.

Q. Has the Public Service Commission ever asked for any of the information contained in that survey?

A. Not to my knowledge, no.

MR. SKLAR: Off the record.

(Discussion off the record.)

(Whereupon a document was marked Plaintiff's Deposition Exhibit No. 9 by the Reporter.)

Q. (By Mr. Holstein): Mr. Lahodny, would you please look at Exhibit No. 9 for identification.

A. Yes, sir.

Q. This document is an excerpt from a much larger document, is it not?

A. Yes, it is.

Q. And I take it that that document is entitled "The Detroit (43) Edison Company, economic analysis", and the portion that has been marked Exhibit 9, is that part of the economic analysis that deals with the light bulb program?

A. Right, sir.

Q. To your knowledge, was there anything else contained in that economic analysis dealing with the light bulb program?

A. No, it has not.

Q. Do you recall who — strike that.

The economic analysis was made upon, among other things, a customer survey, was it not?

A. Yes.

Q. That survey was conducted by Central Surveys, Inc., of Shenandoah, Iowa?

A. That's right.

Q. Who chose that survey company to make the survey?

A. The contractor who made the economic analysis for us.

Q. Do you have any reason to doubt the reliability of Middle West Service Company, apparently the company who made the economic analysis?

A. No, I do not.

Q. Do you have any reason to doubt the reliability of the company chosen to make the survey, Central Surveys, Inc., of Shenandoah, Iowa?

A. No, I do not.

(44)

Q. Do you have any reason to doubt the reliability of that portion of the economic analysis set forth in Exhibit 9?

A. No.

Q. Do you know what questions were asked in a survey with regard to the use of the light bulb program?

A. Only as it appears in that document there.

Q. Do you know whether or not the survey taken in January of 1955 categorized the light bulb program as free?

A. No, I don't. I cannot answer that. I don't know.

Q. The economic analysis made in 1955, and that portion of it that had been given to us and marked as Exhibit No. 9 was retained by the company as part of its business records, is it not?

A. Yes.

Q. Do you know whether or not the contents of the Exhibit 9 was ever submitted to the Michigan Public Service Commission, or the Federal Power Commission?

A. I don't know.

Q. Do you know whether or not the contents of Exhibit 9, or any part thereof, was ever requested by the Federal Power Commission, or the Michigan Public Service Commission?

A. I don't know that.

Q. Do you know whether or not any information of the kind set forth in Exhibit 9 was ever submitted to the Michigan Public (45) Service Commission or any of its predecessors?

A. I don't know.

Q. Do you know whether the Michigan Public Service Commission or any of its predecessors ever requested any information of the kind set forth in Exhibit 9?

A. I don't know that.

Q. Sir, when was the decision made by the Edison Company to provide a longer life bulb as part of its bulb program, as opposed to the standard marketed bulb?

A. I would say within the last ten years or so.

Q. Would it be subsequent to this survey?

A. I believe it was.

Q. What was the reason for deciding to provide a longer life bulb?

A. I believe there were two reasons. First, for customer convenience: They did not have to come in as often as they would have if they had a shorter lamp life. And,

number two, we were not required to handle the same volume of lamps that we would have had we had the shorter lamp life.

Q. What others?

A. I believe that was about it.

Q. Do you know whether or not there was an increased price for longer life bulbs?

A. I believe there was.

(46)

Q. Do you know what the increment increase was?

A. No, I don't.

Q. Who would know that?

A. I believe Mr. Milby would.

Q. Mr. Lahodny, has anybody from your department, the marketing department of the customer relations department of this company, have anything to do with the Michigan Public Service Commission?

A. No, sir, except that we are called on as a witness.

Q. And when was the last time that anybody from either of those departments was called upon as a witness?

A. Within the last seven or eight months.

Q. And for what purpose?

A. Our collection practices.

Q. Prior to that, when was the last time anyone from either of those departments were called upon as a witness for the Michigan Public Service Commission?

A. I cannot give you the exact date. But we have been called on from time to time to serve as witnesses regarding certain practices which were under study by the Commission.

Q. Has anyone from the marketing department or public relations, customer relations department, ever been called upon as a witness with regard to anything relating to the light bulb program?

(47)

A. Not to my knowledge.

Q. Would the same answers be true with regard to the Federal Power Commission?

A. Yes.

Q. Has anybody from the marketing department, or the customer relations department, ever been called upon as a witness before the Federal Power Commission?

A. I would say no.

Q. Who handles the — strike that.

MR. HOLSTEIN: Anything else?

(Discussion off the record.)

Q. (By Mr. Holstein): Mr. Lahodny, with regard to the agents of the Edison Company, could you explain for us how they are compensated concerning the bulb exchange program?

A. Yes. They are compensated by transaction, depending on the transaction. In other words, they get so much for a bill payment and so much for an appliance repair, if they take it in for repair, so much for a lamp exchange.

Q. How much do they get for lamp exchange?

A. I don't know. The last I knew it was fifteen cents, but it might have been changed since then.

Q. In other words, it was fifteen cents for any — ?

A. Every transaction. Every lamp exchange transaction.

Q. By that you mean it has nothing to do with number of bulbs (48) that were provided?

A. No. It was a transaction, just as a bill payment.

Q. Has that policy of compensating the agents always been, always been in effect, to your knowledge?

A. Yes, it was.

Q. Does Detroit Edison Company have a certificate of convenience and necessity granted by the Michigan Public Service Commission?

A. What do you mean, convenience and necessity? What is your definition of that? And for what? I mean, we have convenience and necessity for generation, for example, et cetera, et cetera. So this can hit the gamut of the industry. So you have to qualify your question as to what area you are referring to and to its content, so I can intelligently answer the question.

Q. Does it have a certificate of convenience and necessity furnished by the Michigan Public Service Commission to sell electric energy?

A. We have a franchise in the community that we serve to sell electricity.

Q. You did not answer my question.

MR. HOLSTEIN: Would you read the question back.

(Question read.)

(49)

MR. COHEN: I am going to object to the question as worded, because —

A. I frankly do not know what you mean.

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Deposition of William R. Milby

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(4)

WILLIAM R. MILBY, called as a witness for cross-examination under the Federal Rules of Civil Procedure, being duly sworn by the Notary Public, was examined, and testified as follows:

CROSS EXAMINATION
By Mr. Holstein:

Q. Would you please state your name.

A. William R. Milby.

Q. Your address, sir.

A. 30512 Jefferson, St. Clair Shores, Michigan.

Q. You are employed with the Detroit Edison Company, are you?

A. That's right.

Q. What position do you currently hold?

A. Assistant vice-president and manager of customer services.

• • •

(9)

Q. And what was discussed with regard to the value of the program (10) — strike that.

What was discussed with regard to the value — strike that.

What was discussed with regard to the cost of the program to the customer?

A. Well, as we have said, the, the amount of money we spent for lamps was, say, two million, two million two, in that range. Now, if this is a cost which is included with all of our other costs, and we — I think weighed this against customer benefits for that amount of money.

MR. HOLSTEIN: Would you read back my question, Mr. Reporter.

(Question read.)

MR. HOLSTEIN: I move that the answer be stricken as not responsive.

Q. (By Mr. Holstein): I ask again, Mr. Milby, what was discussed with regard to the cost of the program to the customer?

MR. COHEN: He has testified there was something discussed with regard to the cost to the customer.

Q. (By Mr. Holstein): Yes?

A. I think I discussed, or mentioned it a little differently. I think I said the benefits to the customer, but —

Q. You said the benefits to the customer. You also said the (11) cost to the customer was discussed.

A. Well, the benefits versus the cost of the program, yes.

Q. To the customer? Again I ask the question. What was discussed with regard to the costs of the program to the customer?

A. Could you make it a little clearer. I thought I answered it before.

Q. You discussed the benefits of the program to the customer. Now I want to know what was discussed with regard to the costs.

MR. COHEN: If anything.

A. Well, he does not have a direct cost, but it is certainly in our cost of doing business, which are eventually reflected in the rates.

MR. COHEN: What he is asking you is what you recall of a discussion. He has not asked you what your opinions were. He is asking — you testified, I believe, that you had occasional meetings and there was a discussion. Now he is asking you what if anything you recall of that discussion.

A. Well then, I would have to say I don't remember.

Q. (By Mr. Holstein): Well, I think you already testified that you discussed, among other things, the value of the program from a customer relations standpoint, the benefits of the (12) program in regard to the customer, and also the costs to both Edison and the customer. Isn't that what you said you discussed?

A. I don't recall what I, whether I said that. I think I said we discussed the costs in relation, in relation to the benefits, and I meant the customer, or company costs in relation to the customer benefits.

• • •

(13)

Q. (By Mr. Holstein): Was the question of the costs to the customer of the light bulb program ever discussed by the customer policy committee, since you have been on it?

A. To the best of my recollection, I would say the answer is no, I did not.

Q. It is of no consideration — strike that.

It is of no consideration to the customer policy committee what the costs of the program are to the customer?

A. In the context of what you are asking, we do consider what he would pay, for instance, for the light bulb if we did not have to program it.

Q. Do you also consider what the customer has to pay for the bulbs, since you do have the program?

A. We know what he has to pay for them under that.

It is part of our total cost of doing business. The same as buying transformers, buying wire, buying cable.

Q. Do you know what they are? Do you ever discuss them?

A. Yes, we know what they are.

Q. I move that be stricken as not responsive.

(14)

Do you ever discuss the costs to the customer?

A. I don't recall —

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(19)

Q. (By Mr. Holstein): Page two sets forth under twenty-five watt bulbs, renewal charge free; forty watt bulbs, renewal charge free; sixty watt bulbs, renewal charge free; (20) one hundred watt bulbs, renewal charge free, one hundred fifty watt bulbs, renewal charge free, two hundred watt bulbs, renewal charge free; three hundred watt bulbs, renewal charge free.

MR. HOLSTEIN: Now, read back the first question.

(Prior questions, answers and colloquy read.)

A. Let me see if I understand the question. You are saying, have we always used the word "free"?

Q. (By Mr. Holstein): Yes.

A. The answer is no.

Q. What other language did you use to describe cost of the bulbs to the customer?

A. We have used "at no extra charge", and we have used "At no charge".

Q. You are currently using "At no charge", is that correct?

A. The last letter we had was, used "No charge".

Q. Other than the cost representations that you have just discussed, "Free", "At no charge", and "No extra charge", have you, to your knowledge, either in the years you have been here or before — and when I refer to "you", I mean Edison — ever described the cost of the bulbs to the customer in any other fashion?

(21)

A. No.

Q. Have you, Edison Company, to your knowledge, ever submitted documents, Plaintiff's Exhibit No. 7, to the Michigan Public Service Commission or any of its predecessors for approval?

A. Which is number seven? I don't know the answer to that.

Q. Has the Michigan Public Service Commission or any of its predecessors, to your knowledge, ever requested copies of Plaintiff's Exhibit No. 7?

A. I don't know the answer to that, either.

Q. Referring to a letter, Plaintiff's Exhibit No. 6, has that letter ever been submitted to the Michigan Public Service Commission for approval?

A. I don't know.

Q. Do you know whether or not the Michigan Public Service Commission has ever requested a copy of that letter?

A. I don't know that, either.

Q. Have you ever testified before the Michigan Public Service Commission or any of its predecessors?

A. No.

Q. Has anyone from the customer services division of the Edison Company ever testified before the Public Service Commission or any of its predecessors?

A. Yes.

(22)

Q. Have they ever testified before the Public Service Commission or its predecessors with regard to your light bulb program?

A. No.

Q. Do you know of any occasion predating 1926 when anyone from the Edison Company customer services division, or otherwise, ever testified before the Public Service Commission or any of its predecessors concerning the light bulb program?

A. I would not have any knowledge of that.

Q. Does the company possess any records, documents, transcripts or any other memoranda concerning testimony

or other evidence — strike that — concerning testimony before the Public Service Commission or any of its predecessors concerning the light bulb program?

A. To the best of my knowledge, no.

Q. Has there ever been any discussion by the customer policy committee with regard to changing the characterization of the cost to the customer of the light bulb program?

A. No.

Q. Included among your customers are retailers of light bulbs, are they not?

A. Yes.

Q. Has the customer policy committee, or the customer services division of this company, ever concerned itself with the effect of Edison's light bulb program upon other retailers (23) of similar bulbs?

A. No.

Q. Do you know of any occasion when the Public Service Commission or any of its predecessors may have considered the effect of Edison's program with respect to its bulbs upon other retailers of light bulbs?

A. No.

Q. Has the Edison Company ever gathered any evidence, to your knowledge, of the effect of its bulb program with respect to its effect upon other retailers of light bulbs?

A. No, I —

Q. To your knowledge, has the Michigan Public Service Commission or any of its predecessors ever requested from Edison any comparative evidence of the kinds, types, number, costs and quality of light bulbs sold by Edison to those otherwise available on the open market?

MR. COHEN: Objection. His question relates only to those light bulbs sold by —

So the question is clear, you are asking about the light bulbs sold by Edison, or light bulbs exchanged by Edison? There are two categories.

MR. HOLSTEIN: I am talking about the light bulbs subject to the light bulb program.

A. Not to my knowledge.

(24)

Q. (By Mr. Holstein): Has Edison ever submitted any evidence, comparative in nature, to the Michigan Public Service Commission or any of its predecessors concerning the types, number, cost, quality of light bulbs, provided by Edison to those otherwise available on the open market?

A. No.

Q. Has the customer policy committee or any other — strike that — or, the customer services division, ever considered providing Edison's domestic and general service customers an option to purchase the light bulbs currently furnished in the light bulb program?

A. No.

Q. Has the Michigan Public Service Commission or any of its predecessors, to your knowledge, ever considered Edison's failure to provide its domestic and general service customers with an option to purchase light bulbs?

A. No.

• • •

(29)

Q. Well, isn't the customer service department concerned with the total lamp program?

A. We are concerned with the mechanics of it, yes.

Q. Isn't one of the mechanics the fact that the bulbs are purchased from General Electric and other suppliers for resale?

A. These are decisions that are made by the tax people and the legal department.

Q. Are you the senior executive in charge of customer services?

A. Yes.

Q. As such, is it your testimony that you do not know whether or not bulbs provided as part of the light bulb program to your customers are indeed purchased from your suppliers for resale?

A. That is correct. That is why we have a tax department and legal department.

Q. Do you know whether or not the Michigan Public Service Commission or any of its predecessors has ever

been informed of the fact that you purchase bulbs from your suppliers — let me see the Exhibit 5, please — with purchase orders (30) similar to that marked Deposition Exhibit No. 5 wherein the box is, regarding Michigan Sales or Use Tax instructions and exemption claims marked resale, is checked?

A. Would you read that question again?

(Question read.)

A. I do not know whether they have been informed.

• • •

(34)

Q. Has the customer services department of the company ever received any complaints from its customers with regard to any portion of the light bulb program?

A. Yes.

Q. All right. Would you tell us the nature of those complaints.

A. Before we went to the longer life bulb, we had complaints about the life of the bulb. We were going to change our mix of bulbs and eliminate the one hundred and fifty watt three-way, and we had enough objections we did not go that way.

Q. Other complaints? You never received any complaints of an agent being out of a certain kind of bulb?

A. No. We manage to maintain pretty good stocks even in agencies.

Q. Has the Edison Company ever provided Michigan Public Service Commission any evidence of the kinds, type, quality of bulbs it provides under its light bulb program?

A. Not to my knowledge.

Q. When you changed from providing a fifty watt bulb at the low end to a sixty watt bulb instead, did you request the approval of the Michigan Public Service Commission?

A. Just one correction. That is not the low end. We have twenty-five watt bulbs.

Q. When you changed from fifty to sixty, did you request the (35) Michigan Public Service Commission for approval?

A. I don't believe so.

Q. Has the Michigan Public Service Commission ever requested any evidence as to why you changed from a fifty to a sixty watt bulb in your exchange program?

A. No.

Q. Other than that change in the mix, have there been any other changes in the mix since the introduction of the Mazda — is that the name of it?

MR. NELSON: That is right.

Q. (By Mr. Holstein): — type bulb?

A. Since the beginning of time?

Q. Since the introduction of that, the Mazda bulb, into the program.

MR. COHEN: Just so we are clear. Are you talking about —

A. I am not sure when that started.

MR. COHEN: Mazda is a general incandescent lamp, isn't it?

A. Yes, but —

Q. (By Mr. Holstein): I am just asking, has there been any change in the mix other than the ones you told us about?

A. I don't know when the word "Mazda" came into the, or was eliminated. That is a pretty old term.

(36)

MR. COHEN: I think he is talking about, you have a present mix of bulbs, and historically has that mix changed in regard to incandescent bulbs?

Is that correct?

MR. HOLSTEIN: Right.

A. In general, no. The other principal elimination was the forty watt bulb back in 1948, something like that.

Q. (By Mr. Holstein): Did the Michigan Public Service Commission approve — strike that.

Did the Michigan Public Service Commission ever consider allowing you to eliminate the forty watt bulb?

A. The question is, did the Michigan Public Service Commission ever consider allowing us to do it?

Q. Yes.

A. To the best of my knowledge, they were not involved.

• • •

(38)

Q. (By Mr. Holstein): Mr. Milby, are you familiar with a survey done by Detroit Edison in 1970 of its customers?

A. Yes.

Q. Showing you Deposition Exhibit No. 8, it professes to be a copy of the results of that survey. Do you know whether or not the Michigan Public Service Commission ever was furnished —

A. I don't know whether they were or not.

Q. They did not request that such a survey be made?

A. No, they did not.

Q. In regard to the economic analysis done on behalf of the Detroit Edison Company, 1955, do you know whether or not any of that information was ever submitted to the Michigan Public Service Commission?

A. Would you read that back.

(Question read.)

A. I do not know.

(39)

Q. (By Mr. Holstein): Do you know whether or not the M. P. S. C. ever requested any of that information?

A. That I don't know, either.

Q. Sir, the cost of light bulbs purchased for the program in question in this lawsuit, and whatever other marketing costs that are attributed to that program, are included in an account entitled — what is that? — customer installation expense, is that correct?

A. I guess I would have to say I am not sure of which account that is.

Q. Did you know what else is included in the account entitled customer installation expense?

A. Not without looking to find out.

Q. But there are other items included in that account other than the cost of bulbs, is that correct?

A. That I am not sure of.

• • •

(43)

Q. (By Mr. Holstein): Is it true, then, there has been no discussion by the customer relations department and/or the customer policy committee with regard to how you might handle the discontinuation of the light bulb program were that ever to come about?

A. No, we have not discussed this.

Q. Has any such discussion ever taken place with any other executives of the company other than those in the customer services department?

A. Not to my knowledge.

Q. In your affidavit on page two, you set forth that the light bulb program has received the most national publicity of any Detroit Edison Company service. To what national publicity are you referring?

A. This particular program is the most talked about by people all over the country who have had any occasion to be in Detroit. It is also the most talked about by other utility companies as having the greatest customer relations value.

Q. Do you know of any other utilities in the United States, besides Detroit Edison Company, that has been permitted to have a light bulb program as it exists?

A. Yes.

Q. Which one?

(44)

A. Lansing, Michigan. The municipal company up there.

• • •

(46)

Q. (By Mr. Holstein): Mr. Milby, in your affidavit, page two, paragraph eleven, you set forth your understanding of the historical basis of the lamp exchange program was, one: to acquaint Edison customers with the improved lighting provided by electric lamps as well as to make certain that the use of the electricity was encouraged by the

elimination of empty lamp sockets in the home, stores and offices of the Edison customers, is that correct? That is what you said?

A. That is correct.

Q. Now, there is no longer any practical necessity to acquaint Edison customers with improved lighting provided by electric lamps, is there?

A. No.

Q. Is there a practical necessity for making certain the use of electricity is encouraged by the elimination of empty lamp sockets in homes, stores and offices of Edison's customers?

A. I suspect this is still true, to a degree.

Q. And the practical necessity, what would that be?

(47)

A. I think with a two light lamp, people who have one lamp burned out, one bulb burned out, and the second one burns out, they will probably replace the two. But in the meantime only one is lighted. So to that extent, or a cluster ceiling fixture that requires more than one lamp, they might get along with one or two burned out.

Q. But if they get them from you, then they use them?

A. Then they get the sockets full.

Q. They have the sockets full, so the practical necessity, I assume, is the revenue to the Detroit Edison Company, is it not?

A. That, plus good lighting for the customer.

Q. Now, you stated that the bulbs are specifically manufactured for Detroit Edison Company by General Electric. General Electric Company, as I understand it, is not your only supplier of bulbs to be used in the lamp exchange program, is that correct?

A. They are the only one at the moment.

Q. But your affidavit — I see. In past years, though, you have bought from Sylvania and Westinghouse, have you not?

A. Right.

Q. Is there anybody besides those three companies that you could buy from at the present time?

A. Not that I know of that could provide the volume and the (48) quality that we would want.

Q. What about the price?

A. Or price.

Q. Mr. Milby, you indicated to me that the Consumers Power Company was required by their franchising agreement with the City of Grand Rapids to furnish light bulbs, is that correct?

A. That is as I understand it.

Q. Do any of your franchise agreements with any of the various municipalities that you deal with require you to furnish electric lamp service?

A. No.

Q. Do they require you to furnish the light bulb exchange program as is constituted in any of your franchise agreements?

A. No.

Q. Mr. Milby, there is a directive of the Detroit Edison with regard to its exchange agents, bulb agents — it is Exhibit 4 attached to the interrogatories, answers previously supplied by your counsel. It is entitled "Customer relations routine instruction". Are you familiar with that document, sir?

A. Not in detail, no. I don't know all the procedures and policies that we have in that much detail.

Q. Were any of your procedures or policies contained in that (49) document — you can look it over — ever approved by the Michigan Public Service Commission?

A. Not to my knowledge.

Q. Did Detroit Edison Company ever furnish the Michigan Public Service Commission with a copy of that document?

A. I don't know.

Q. Did the Michigan Public Service Commission or any of its predecessors ever ask to be furnished with any of the information contained in this exhibit?

A. Not to my knowledge.

Q. Did the Michigan Public Service Commission or any

of its predecessors ever approve or disapprove of the fourteen different type bulbs that are currently being utilized in the light bulb program?

A. No.

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ARGUMENTS ON MOTION FOR SUMMARY JUDGMENT

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(3)

Detroit, Michigan
Monday, April 22nd, 1974
2:00 p.m.

PROCEEDINGS:

THE COURT: Now, Mr. Cohen, how much time do you want to present your side?

MR. COHEN: If possible, your Honor, 20 minutes, maybe five to ten for rebuttal and I have one witness whose cross-examination should take no more than ten minutes at best.

THE COURT: A half hour to a side, then?

MR. SKLAR: Yes, your Honor, half hour would be sufficient.

I would like at this time to allow Mr. Nelson to speak for the plaintiff on a motion.

MR. NELSON: I would like to make a motion, your Honor, to admit to bar of this Court, for purposes of this proceeding only, Mr. Michael Sklar —

THE COURT: Somebody coughed just then, and I didn't hear the name of the gentlemen.

MR. NELSON: Michael Sklar, Robert Holstein, and Burton Weinstein, all of whom are members of (4) the Illinois Bar, and each of them are members of the Bar of the Supreme Court of the State of Illinois, and also they are members of the Bar of the Federal District Court for the Northern District of Illinois and I so move their admission.

THE COURT: I am happy to grant that motion and to welcome you to the Bar of this Court for the purposes of this case.

MR. SKLAR: Thank you.

MR. HOLSTEIN: Thank you.

MR. WEINSTEIN: Thank you.

THE COURT: I must say that in a sense there will be slight inconvenience to you gentlemen for which I apologize, but the matter that just came a moment ago, when you were interrupted has to do with a bond reduction hearing which I was supposed to have taken up this morning and it didn't come off, and I'm willing to undertake it this afternoon. It shouldn't take very long, and if you don't mind, I would interrupt because we have got several people who have been waiting for a long time. Then, I will hear the moving party first here. Detroit Edison brings a motion for a summary judgment.

MR. COHEN: This court knows the (5) plaintiff in this case has brought a class action against Detroit Edison, which relates primarily to its lamp exchange program, being the program contained in the rates and tariffs approved by the Michigan Public Service Commission, which basically gives the customer the right to exchange certain size light bulbs at the various customer service outlets which Detroit Edison maintains for whatever light bulbs or whatever size they wish to have. That basically is what is involved in the lawsuit. The plaintiffs have alleged and obviously not going into their whole theory just for the purposes of my argument, that this is a anti-competitive practice for the reasons set forth in their complaint. We allege in that portion of our summary judgment motion, which is before the Court today that this is really a classic Parker -vs- Brown type of situation, in which the lamp bulb exchange program is an intimate part of the tariff and rates approved specifically by the Michigan Public Service Commission. As such, they are state acts, affirmative state acts within the meaning of Parker -vs- Brown, and therefore, not susceptible to anti-trust attacks. We, of course, are not suggesting they are without remedy. Under Michigan Statute, of course, they have the right to petition

the Public Service Commission (6) for a change in the rates for the services or the conditions of the rates. If they are unsuccessful, they have an appeal as a matter of right to the Circuit Court in Ingham County, which sits as a court of chancery instead of a resolution court. It has a chance to make or to determine whether the Michigan Public Service Commission action is a proper course, manner of course. They have the usual appeal procedure from the Circuit Court in Ingham County. Now, by way of background, Detroit Edison operates as a result of franchise agreements they have entered into with the various communities to whom they furnish electric service. This is provided for by the Michigan Constitution, in both the 1963 Constitution and the earlier constitution, I believe in 1908, to preserve to the local community the right to enter into franchise agreement for the use of their streets and their easement, or to run their own utilities if they so desire.

Now, each and every one of those franchise agreements contain a provision which is attached to the plaintiff's answer to our motion, which provides that the rates, the charges, services, will be subject to the — whatever the charges, rates and tariffs are of the Michigan Public Service Commission so that in each of the franchise agreements reference is made and the parties have (7) agreed to abide by whatever agreement the Michigan Public Service Commission makes in regard to rates and regulated services, whatever the conditions are that go into the particular rates so that no matter where we operate the MPSC has absolute power and authority over whatever rates we charge or over our conditions of service. The statute in this case is a very broad one and starts out by giving complete power and jurisdiction to regulate the public utilities or private utilities to the MPSC, and it's extremely comprehensive in terms of rate change, term of service, and anything that is incidental thereto although the words are contained in the appropriate statute. Now, as a practical matter, the way the rates are handled, Detroit Edison, first prepares what it thinks the rate should be, support-

ing data for each of the items in their schedule and submits it to the Michigan Public Service Commission. It is then gone over page by page by the staff, and we have a witness from the MPSC to testify how the procedure works. The Commission then meets, makes whatever changes it desires, if it desires to make changes in the rates we can charge and the services incidental to those rates are approved actually on a page-by-page basis by the MPS Commission. We have no authority to do anything, (8) and there must be prior approval, which I think is the key word here, by the Commission in terms of our service, rate, discount terms of payment. All those things go into the rate structure which is called the rate.

Now, also included in the rate itself is a special designation light bulb exchange program that is specifically part of the rate structure as published, and is submitted to the Michigan Public Service Commission and in each case that we have asked for rate changes which has been approximately four times since 1970, that program was specifically approved as part of the general rates and conditions attached thereto so that in all cases here you have affirmative state action, you have complete jurisdiction in the state body to change or not to change as you so desire. You have a procedure by which an agrieved party can appeal to the state or petition the state to make any change in rates or conditions or services. You have none of the kind of situations which have led to some general kind of exceptions to basically the Parker doctrine. Now, I think to the Parker doctrine there have been some exceptions, and also, I think some confusion mostly because oftentimes the Parker doctrine gets confused or mixed up, or considered in terms of the Moore Pennington Doctrine. I'm sure this (9) Court knows the Moore Pennington Doctrine refers to a balance of the First Amendment rights, the right of the people to petition their government and how far they can go, and the policies of the anti-trust lawyers to balance the First Amendment against anti-trust, and of course, that is not involved in this case.

There is another series of cases such as the Otter Tail case, which the defendant cites. I think the Marnell case,

which had to do with the latest one that had to do with it, AT&T rates were the course, and also I should mention the Hecht case, where the Federal Courts are balancing Federal statutes against other Federal statutes, which is not involved here, where the court looks at the intent of the Congress in passing certain legislation and they look at the intent of Congress and the body of the anti-trust laws in an attempt to balance those out. This happened in Hecht, and Marnell, which is not involved here. We are not balancing the Federal statutes against each other. You have got the more constitutional version kind of Parker exception cases. The ones we cite in our briefs, don't except them. There are some that do, those are basically the telephone cases where the phone company is allowed by state statute to file a tariff which has the (10) force and effect of law unless there is some positive action by the state to the contrary, in other words, sort of a negative option thing. The state in those cases ordinarily only has a right to make sure the tariff is reasonable as a claim of the area kind of power that's involved in this case, but I think this goes to those decisions, even to those decisions we have out contrary decisions have gone to the positive state action that is required before those kinds of tariffs take effect. The telephone company simply filed a tariff. If there is no state action within 30 days, the tariff has effect as filed by the company without any positive kind of state action.

THE COURT: Has there ever been any regulatory body inquiring into this free light bulb program?

MR. COHEN: Within the State of Michigan?

THE COURT: Yes.

MR. COHEN: Only to a limited extent in 1964. I believe we wished to make some change in our tariff insofar as comercial users were concerned. In other words, to cut comercial users out of the tariff and to that extent there was a limited kind of state activity which (11) determined whether or not we are entitled to do that, or whether or not we shouldn't be allowed to do that.

THE COURT: As it relates to the light bulb program.

MR. COHEN: Right, in other words, our large com-

mercial users really didn't have that much need for it as I understand it, and wanted to get out of it. So, we then specifically asked permission, which I think is the key word in the MPSC in modern days. All these alphabetical numbers sometime escape me, but we asked specific permission then to withdraw that section of the tariffs and services which applied to the exchange program for the large commercial users, which was given to us.

Also, we have a witness today who at one time himself — he's the head of the Commission, had recommended to the Commission, as he will testify, that the program be done away with. That was his personal feeling, that it should be, and as I understand it, at the staff level he was turned down, but there is no question that they have been aware of this program ever since its inception. As a witness he will go into that. That he personally had considered it, that the MPSC had considered it at various times both in '64 and extensively, at least (12) when the witness made his recommendation that the program be done away with, but nevertheless, specifically approved that program continuously since that time. I think the key is that there has been positive state action in a sense, even though the particulars of the tariff has not been openly challenged in a public hearing, but then, of course, there may be 20 or 30 other sections which also have not been challenged. Our discount rates have not been challenged. How much you deduct for payment, early payment of your bill, that has never been challenged. The amount of time we have to hook up equipment. In other words, there are any number of things in the rate schedule that has never been challenged. I think the key is that the rates that we do have all require affirmative approval. We cannot get off the lamp bulb program unless we get permission from the MPSC. There has to be affirmative action on their part. We cannot engage in it without specific permission, and if anyone wants to challenge it, the MPSC had complete jurisdiction to determine whether or not this is a just and reasonable program and whether it should be continued or not be continued.

THE COURT: Are there franchises in which you do not participate in the light bulb program at (13) issue here in Michigan?

MR. COHEN: Not to my knowledge, your Honor. I have one of our experts on rates. My understanding of our franchise is there is a light bulb program, the reason for that being is that all the franchise refer specifically to the MPSC tariffs, it provides there should be uniformity of the franchise, therefore, the word is "stuck" or whatever it is, whatever the MPSC says is a tariff, that's the rate at any particular time, that is what we have to adhere to in each of our franchises. Now, I will check to be sure on that before I finish, but that's my understanding.

THE COURT: I don't know that that would be dispositive of it, but let me ask you another question. Do you then say that Parker or the state action doctrine applies here because the matter of cost of the light bulb program and its availability or non-availability is subject to state regulation?

MR. COHEN: Particular, your Honor, and also because the tariffs themselves provide for a lamp supply program. They specifically have a section which says lamp supply and sets forth the conditions under which we must supply lamp bulbs to our customers. For instance, I'm reading B 5.5 "bulb lamps will be furnished without (14) extra charge; one) to residents connected for the first time in such quantities as may be needed for all permanent fixtures; two) as replacements of previously burnt out lamps in proportion to the use of energy for lighting purposes under the applicable rates." The rates in the tariffs, we have to supply them, we have no choice. What I'm saying is the one thing Parker is clear on is where the legislature has determined, and the word is one the court's latin phrases I can't pronounce, where the legislature determines that the competition is not the summun bonum, I believe is the word, legislature decides there is going to be literally regulation rather than competition, when that decision has been made, then, Parker comes into effect. Now, I don't think there is any question under any

of their cases that that's where the bread, meat and the potatoes, and the merger cases they cite where they said Parker did not apply because this is — it was a merger situation. The court said rates are the bread, meat and potatoes of the state action. Here we are dealing with rates of which lamp supply is a part. We're dealing with a written area where the legislature has determined that they are going to allow limited monopoly at the expense of competition, but the expense is you're going to have pervasive (15) kind of regulation, then, when you have that kind of situation where the regulation challenged is in effect mandated by the state, as opposed to some of the telephone tariff cases, there it is specifically approved by the state and state procedure for challenging it's I suggest to the Court, this is really a classic kind of Parker v. Brown situation. Some of their cases, the Witten v. Pool case, which is basically a Moore Pennington case, had to do with a situation where the state required competitive bidding, not regulation. One of the competitive bidders got together with the state officer to have his specifications adopted so that nobody else could compete, but this is really an interference with a competitive bidding statute which the state had established. It wasn't a situation where you are dealing with a monopoly. You had a competitive bidding situation. You couldn't use Parker v. Brown for excusing bribery of a state official to use your specification. In the Woods case, which they rely on, you had a state body where a number of producers of oil, gasoline got together, natural gas, actually, and they falsified the information which they gave to the state, and the court said you can't use Parker v. Brown to cover up the falsification of information which you presented to the state, upon which the state (16) has acted, that it's going to shield you, but this, we have none of those factors here, your Honor, that are involved in any of those exceptions, and you have really an almost classic kind of example where the state has taken over complete, absolute regulation where whatever we do has to be approved by the state. When the state commission meeting has actually approved and mandated all of our aspects

of the tariff rate picture whereby the lamp exchange program is an integral part of that rate structure so we can't change it, get rid of it, or anything else without approval of the state. I think those are pretty much uncontroverted facts, and on that basis, on Parker v. Brown, we feel it is a peculiarly appropriate case for summary judgment treatment by this Court.

Now, did the Court wish to — I didn't know how to handle the witness. Whether you wished to handle —

THE COURT: Well, let me ask you this: Did you discuss with your brothers what the extent of his testimony is? Perhaps they can stipulate to it.

MR. COHEN: The testimony is simply that he is — he not only — he has participated as a supervisor.

(17)

MR. SKLAR: Your Honor, before the witness's testimony is added into the record, we want to state an objection to the witness being examined or to any summary of his testimony entered into the record. The hearing this afternoon was called for argument on briefs and affidavits which the parties have previously submitted. We have had no prior warning nor discussion at all whatsoever with respect to additional evidence, and the additional argument, and would strongly object to the introduction of any evidence at this time related to the summary judgment motion.

MR. COHEN: May I just say this, your Honor. This is not anything additional, this is simply corroborative of what we have stated in our brief. It occurred to us there may be some question as to any of those points, and for evidence we would suggest, or whatever use the Court wanted to make of it, we subpoenaed the supervisor of the Electric Section of the Public Utility Division so if there are any disputes on any point he can answer the questions for us or them.

MR. SKLAR: Here again, your Honor, I feel we have no warning at all, no chance to prepare for cross examination, and no possibility on our part to present (18) rebuttal evidence or prepare for rebuttal evidence. I think

it is highly irregular. I have not faced a situation where I have come to make arguments which were all raised by affidavit, where I also had to face the element of surprises and rebuttal testimony.

THE COURT: That isn't so unusual, at least it hasn't been for me. I will hear your argument first.

MR. COHEN: I didn't mean it as a surprise, your Honor, I thought it would be a good thing to have him here.

THE COURT: Very well.

You are Mr. Sklar?

MR. SKLAR: Yes. Obviously, we see this case very differently. We see the application of Parker v. Brown to this situation, to this case, as being one of fact and not one of some type of perfunctory activity by the State of Michigan, if there are any activities at all.

THE COURT: What remedy do you seek here that you could not obtain in a state agency or state tribunal as your brother suggested?

MR. SKLAR: We seek several reliefs, (19) one of which we have monetary damages, which the Michigan Public Service Commission has no authority to order.

THE COURT: Is that in the state court?

MR. SKLAR: It may be possible in a state court under the Michigan Antitrust Statute to obtain relief, but we have selected the Federal court because we feel here is the place where the expertise exists to review antitrust matters as between the state court and the Federal court. It is our opinion that the Federal court is the more expert forum in which the matter should be reviewed.

THE COURT: Are damages the sole goal that you seek here?

MR. SKLAR: We also seek injunctive relief.

THE COURT: That you could get in a state court.

MR. SKLAR: I don't belief we could.

THE COURT: You mean you couldn't go — if this is a bum idea to be passing out light bulbs as your complaint suggests, can you go to the state regulatory body and seek its elimination?

MR. SKLAR: The state regulatory body, as we view it, has authority to review and to regulate the (20) reasonability of rates, and it may well be, theoretically at least, the Michigan Public Service Commission can tell Detroit Edison to avoid including the cost of the light bulbs in its rate base for purposes of determining its rates, but we don't believe that the Michigan Public Service Commission can tell Detroit Edison that it can't sell light bulbs, or that it can't sell tiddly winks, or it can't build a building.

THE COURT: Have you tried?

MR. SKLAR: No, we have not. We feel it is an antitrust case, and we're interested in the damages as well as injunctive relief.

THE COURT: More damages than injunctive relief?

MR. SKLAR: I would say actually certainly the damages takes care of the past, the injunctive takes care of the future.

THE COURT: Why should we worry about the past? This has been under a state regulatory body, why not just worry about the future it is a bad practice?

MR. SKLAR: Well, this is a crucial question as to whether or not it has been under a state regulatory body. It is our contention that, in fact, it has (21) not been under a state regulatory body. It is our contention that we will have to go into the facts at some detail long before the Michigan Public Service Commission or any of the procedures wherein the — even Detroit Edison Company was distributing light bulbs in connection with electricity rates.

THE COURT: Let's talk about the date after the regulatory body took over. It would be their suggestion that they can't abandon or cut down on this light bulb program without permission and approval. Do you agree with that?

MR. SKLAR: Your Honor, under the statute any public utility, including Detroit Edison, can make a change in its operations which does not effect or result in increased costs to its customers.

THE COURT: What about my question?

MR. SKLAR: Without a public hearing by the Public Service Commission.

THE COURT: Would they have to get approval as Mr. Cohen suggests?

MR. SKLAR: Approval, it's a difficult word. They used the word approval throughout their argument.

(22)

THE COURT: What word would you like to use?

MR. SKLAR: I don't think the word is helpful. I think a word, if any word is to be used, is "considered judgment" thought that is the basis upon which the Parker v. Brown cases have been decided, and approval is kind of a bad word, and has become a bad word in this case, which I think is unfortunate because it can mislead counsel and it can mislead the Court.

THE COURT: But let me ask you this — simple question because I would like to get an answer — It may be helpful to me based on what your answer is, whether or not it is helpful — does the regulatory body have the power to say to Detroit Edison, as Mr. Cohen suggests, you must secure our approval before you withdraw this light bulb program in any franchise that you administer.

MR. SKLAR: My answer would be no, your Honor, they don't, and I want to cite, your Honor, some sections of the statutes under which the Michigan Public Service Commission, in fact, does operate. In the first place, the quoted provision upon which defendant is relying has a very key phrase in it, and it says "The Michigan Public Service Commission is hereby vested with complete (23) power and jurisdiction to regulate all public utilities in the state except any privately owned utility except otherwise restricted by law." Now, therefore, there are several things that flow from that. The first in the question of whether the Michigan Public Service Commission under the Huron Portland Cement Case is vested with the identical power as their predecessor had, the Michigan Public Utility Commission had? Section 46.551 in the Michigan Revised Statutes has given specific authority as to what it may regulate and what it may be concerned with.

What it may be concerned with is the rate or charges to be made to the customer for the electricity so transmitted and distributed, and the rules or conditions of service upon which electricity can be transmitted.

It's our contention that Section 6, upon which the defendant relies is a grant of general jurisdiction. The Huron Portland Cement case recites the substantive powers as to what the Michigan Public Service Commission may do, may consider, and may not do or consider under the statutes of the State of Michigan. Overriding the entire issue, I think is the question as to whether or not the Michigan Public Service Commission can be concerned with matters that are inherently not public utility matters, (24) that are inherently not matters affecting public interest.

It's our contention that the distribution of light bulbs, like the sale of automobiles, or the sale of appliances, if you will, are not matters that are effected with public interest, and in answer to your question, your Honor, I recognize it's a fair question as to whether or not the Public Service Commission can order Detroit Edison to cease doing what it is doing, I believe the answer is no. I believe what the Michigan Public Service Commission can do is simply direct Detroit Edison to eliminate the cost of its light bulb program from the cost which is used to obtain a rate for electric energy.

Now, there is an interesting aspect to that also because over the years the cost of the light program has never really been identified to the Michigan Public Service Commission, or to the people of the State of Michigan, or apparently, in fact, within Detroit Edison's own organization. The cost of the light bulb program surely is a lot more than just the cost of the bulbs. There are service center people that have to be maintained, people who are involved in the program. All of the costs have been hidden and covered up, whether intentionally or unintentionally, we don't know, but the Michigan Public (25) Service Commission has never reviewed the cost of the program and it would probably be an extremely difficult, and perhaps impossible task for the Detroit Edison Company and the Michigan Public Service Commis-

sion, in the form that the Michigan Public Service Commission operates in, to isolate what the costs of the light bulb programs actually are. So, again, in answer to your question, can the Michigan Public Service Commission direct Detroit Edison to stop its program, I think that the only thing they could tell them to do is stop using the cost of the program as a basis for their rates, and I think that would be extremely difficult to accomplish in view of the confusion and the highly intertwined relationship between their cost and the tariffs which they attend. So, I believe, that perhaps theoretically there is a limited amount that the Michigan Public Service Commission can do, but practically, I think it's extremely difficult for them to do it, and as a matter of law and right, the plaintiff deserves to be in court and is entitled to relief which this court can grant it.

In any event, your Honor, we view the question of whether or not the Michigan Public Service Commission has acted at all to be a matter under Parker v. Brown and subsequent cases of fact, and actual fact what (26) did they do within the Michigan Public Service Commission over this 80-year period that the program has been in effect, over some 65 or 60 years service of the Michigan Public Service Commission, and the procedure has been in effect. What kind of judgment has been exercised by the Michigan Public Service Commission as to the need for a program like this? What has the State of Michigan done in a Parker v. Brown sense? What great problem has been solved by the lamp exchange program, that is whether or not the State is becoming involved in this thing?

THE COURT: What do you say they have done?

MR. SKLAR: Nothing.

THE COURT: So, your proofs will be put in the time it takes to cite it.

MR. SKLAR: That's correct. In fact, it takes no time to say it, so, for what the evidence is nothing has been said to anybody at any time.

THE COURT: You're willing to be bound in this record factually that the Michigan Public Service Commis-

sion and its predecessor regulatory body has done nothing in this area?

MR. SKLAR: Yes.

(27)

THE COURT: You may continue.

MR. SKLAR: Not to qualify what I've said, but I think it is important that I acknowledge to this Court the submission to which Mr. Cohen refers, the 1964 submission, which is simply, again, a rate sheet apparently in an informal procedure in which tle light bulb program to some extent, for some customers was slightly amended, but I would contend that the Michigan Public Service Commission had not exercised considered judgment and did nothing, and at least there is no evidence on the record today that the Michigan Public Service Commission did anything with respect to the light bulb program in 1964.

THE COURT: Well, that is true, there is nothing here yet, but Mr. Cohen suggests that he wants to supplement what he has in his papers with some testimony here, and I just wanted to know what your position was, and I take it that you flatly say that no regulatory body in Michigan in respect to the program has done anything.

MR. SKLAR: That's correct, your Honor, as far as we know there is no evidence of that.

THE COURT: Well, how do you handle the proposition that I can see coming down the road now, (28) and that is, that no matter how you slice it, the light bulb program costs something. As you yourself said, it's a complex program, they have got service centers; they have got the cost of the light bulbs, the personnel, and I know you said it's hard to separate cost. You suggest that it is costly.

MR. SKLAR: By all means, and I think there are some important considerations for the Court that flow from that fact as well.

THE COURT: Well, apart from the consideration for the Court, I would like to talk about the consideration of the MPSC, at least what they did was to approve costs which included those figures of light bulbs.

MR. SKLAR: I am only willing to concede a very limited thing. I'm willing to concede that the cost of purchas-

ing light bulbs was submitted to the MPSC under an account entitled, I believe, "Consumer Installation Charges."

THE COURT: Then, let me ask you this: Is there a cluster of activities which a regulatory body such as MPSC, could engage in in this field, which is done — that is to say, if these activities in a cluster were done, (29) would that in your mind bring it within the department, and if so, what are the activities?

MR. SKLAR: Of course, we're only speculating, but I would imagine that a continual monitoring of the program as it is administered by the Detroit Edison may well bring the light bulb program within Parker v. Brown doctrine. Assuming — assuming that the Michigan Service Commission has the authority to regulate that kind of activity.

THE COURT: Let's assume that so we don't get bogged down. What do you assume comes under the rubric of monitoring?

MR. SKLAR: I would consider the requirement that as how many light bulbs are distributed as to the accounting for the receipt of bulbs, and as to how the program is advertised, which we consider to be a misleading and possibly fraudulent method of advertising a program. I would consider the kind of bulbs that are purchased as to whether it's better to have longer life, less light from a bulb, I would consider the amount of electricity the bulb uses being an important factor. I would consider the availability of the bulb to the public. I would consider the rate of use of the bulb, (30) whether the public who are being charged a rate for electricity are, in fact, using the program and the extent to which they are using it. I would consider whether or not all segments of the economy and all people are being treated equally with respect to the light bulb program. I would consider the cost and the practice of Detroit Edison as a material fact to be considered by the Michigan Public Service Commission. I would consider it the competition of the program as it effects, perhaps, the most important consideration under Parker and the other cases. None of these things have ever been considered, at least there is no evidence that any of these things have been considered by the Michigan Public Service Commission.

THE COURT: What inquiry have you made to determine whether or not any of the activities that you have now listed for me are not being considered?

MR. SKLAR: Mr. Nelson, our co-counsel spent two days in eliciting, going through the records of the Michigan Public Service Commission and discussing the various offices of the MPSC, what they knew about the light bulb program's history, how it came about, what involvement the MPSC has had with it, and I don't know if you want to speak to him, but I briefly obtained, which (31) I submitted previously, indications about that kind of activity, that there is none, and beyond that, what we have been able to learn in the discovery deposition of the defendant's own officers who are charged with administering this program is that nothing has been submitted to the MPSC, and nothing has ever been said by the MPSC, and the members of the public have never questioned the program before the MPSC.

In summing up that point, we feel that under Parker and the cases that we cited to the Court, that there simply is no evidence at all of considered judgment, and that it is considered judgment about the program and particularly its effects on competition today under the recent cases which is a sine qua non of obtaining a state action exception. And regardless of what we might theorize about the MPSC, what they may have done in the past, the fact remains that that is the fact, that there is nothing. This program began as a device to increase the use of electricity, then it was motivated by Edison and directed by Edison. Through some form or another it became a part of their rate sheet. There is evidence here as well, your Honor, that the predecessors of the Michigan Public Service Commission began activities in 1909 under the Michigan (32) Statute, but it wasn't until six or seven years later that Edison considered it necessary or advisable, and for whatever reason, to bring the light bulb program in some fashion to the attention of the regulatory authority. Clearly indicating, I think — at least for purposes of summary judgment where inferences have to be resolved in favor of the parties defending a motion — clearly indicating that there is some question as to

whether or not the Michigan Public Service Commission is really interested in the light bulb program. And I think there is an awful lot in evidence that would support this theory. So year after year they wrote a five- or six-line description in their rate sheet; so what is the state action? Is state action then anything that Edison or any regulative authority wants to do. All it has to do to exempt itself from antitrust laws is to put it in there — put it in their rate sheet and hope that somehow or another the regulatory body will put their stamp of approval on it.

Now, that is not state action, that is not what the antitrust laws are all about, that is not what the Supreme Court is saying when it decides a case like Otter Tail, and it says that the antitrust laws of the United States are supreme, and only in the most extreme (33) circumstances and clearest mandate that the antitrust laws will be satisfied. That is not the modern practice to allow a public utility to operate carte blanche, particularly in an area where across the river, or outside of the territory people can go and buy light bulbs anywhere they please, and there is free competition on the price of light bulbs, that is not the modern way, not the sensible way of operating. That's what the Supreme Court is telling us in Otter Tail.

It's true, I will agree with Mr. Cohen, there is a distinction, at least historically between the considerations of state action matters and the consideration of competitive Federal policy, but there is not a world of difference between them, and the difference is growing smaller.

Fundamentally, Mr. Cohen attempted to criticize, or at least distinguish the Wood Exploration case involving the tax on gas and oil fields as being kind of out in left field since it involves the submission of false information to the Federal Commission on Taxes. There is something of that in this case, and it is kind of glaring, and that is this whole idea of their deception on the question of cost. What does the program really cost? Well, Edison has never told the Michigan Public Service Commission what the program really cost. It has never told (34) the people of the state what it cost. They don't really know what they are paying for a light bulb, and the other aspect of it is the fact that

the description in the rate sheet, as well as their description and advertising to the public talks about an exchange or free bulbs, and clearly they are not. There is no exchange charge, people come in and have to turn in some bulbs, but there is evidence that Edison takes the bulbs and throws them in the waste basket, they do not exchange the bulbs, they charge their customers full price for all of the bulbs. There is no exchange, there is no value reflected on Edison books for bulbs received.

THE COURT: What do you mean by charge the customers full price?

MR. SKLAR: They obviously have to charge the customer full price for the bulb, at least what it costs them to maintain the program.

THE COURT: What kind of device? You mean hiding in the rates?

MR. SKLAR: That is correct, your Honor.

THE COURT: Anything else?

MR. SKLAR: No, I believe that I have (35) fully covered the things I want to say.

THE COURT: Well, is there anything you wish to ask? I will give you gentlemen a short recess while I take this other matter, and if you wish to raise any other matters after the recess, I will hear you on it, and then I will hear Mr. Cohen.

MR. SKLAR: Perhaps depending upon Mr. Cohen, we might have further argument in regard to what the witness says.

THE COURT: We will take a brief recess.

(Recess taken.)

THE COURT: Do you wish to present anything at this stage, Mr. Sklar?

MR. SKLAR: I do, your Honor. I just want to make a few concluding remarks. I'm taking your Honor up on his kind offer of consulting with co-counsel.

There are some interesting aspects of the case that arise out of the relationship of these franchises to the power or limited power of the Michigan Public Service Commission. Your Honor asked me one of the questions, which I think is a terribly important question. (36) Can the Michigan Pub-

lic Service Commission tell Edison to cease the program? Now, the problem is, and this is the reason why, I didn't explain to your Honor that they can't, at least in the same respect, go as far as Mr. Cohen had indicated. Some of the franchise agreements I asked from him, I think the evidence will show some of them, include light bulb programs. Under the Michigan Statute, as we have stated, under the orders Mr. Cohen indicated, and under the Constitution of Michigan, these franchises are superior to the order of the Michigan Public Service Commission insofar as the rates are concerned. That says something about the limited power, if you will, of the Michigan Public Service Commission.

THE COURT: What does it say about the ability to enjoin the problem?

MR. SKLAR: It says nothing about our ability to enjoin the practice. Your Honor has full right under the antitrust law to do that. I'm saying between the Michigan Public Service Commission and the various cities that franchise Detroit Edison, that there is an obviously confused state if the Michigan Public Service Commission can't tell Detroit Edison to stop doing something in a situation where they have agreed by contract with the cities to do it. (37) So, those are all kind of interesting aspects of the case in terms of the power of the Michigan Public Service Commission, which we would argue is highly limited. Then too, if theoretically, at least the Michigan Public Service Commission could tell Detroit Edison to eliminate the cost of the program from its rate base. Detroit Edison still is free to go ahead and operate and sell light bulbs. There is nothing in the article of incorporation that we know of, there is nothing in the statute of the State of Michigan which would prevent them from doing that as long as they do it without including the cost of the bulb in their rate base.

THE COURT: That would effectively stop it?

MR. SKLAR: That would effectively stop it, but I think we would still have a problem with whether or not this court attended, which is whether or not there is still a violation of the antitrust law through the market dominance and we couldn't dispose of this case, and of course, there

is the rights which the plaintiffs are entitled to, which recurring in their action which would not be adjudicated by the action of the Michigan Public Service Commission, but in closing, your Honor, I would (38) like to put this motion, and what we're here for, the fact that this is a summary judgment motion, and in summary judgment matters, as your Honor will notice, that the inferences that must in a case should be construed where there are inferences to be drawn in favor of the respondents in this motion, particularly in antitrust cases. As the Supreme Court stated in Fowler v. Columbia Broadcasting, that is, there are substantial matters that are involved, there are witnesses to be heard, the issues are not simple and easy, and they are not simple and easy in this case if your Honor chooses to see it.

We feel at this stage in the litigation of an antitrust case of some proportion that without the opportunity for the court to fully examine the program in the antitrust aspect to say this matter should be disposed of, I think would be contrary to what Fowler is all about and what the Supreme Court will say.

There is finally this point. That is this. Summary judgment motions in the cases where summary judgment has been granted on a state action question, were either cases where there has been a full hearing as in the case of Virginia Power, or for that matter, has been submitted to the court on affidavit and there has been a (39) hearing on the part of the regulatory agency. Which is the reason we feel this is not the stage of the litigation in which to terminate it. Thank you.

MR. COHEN: I would like to respond to those remarks, your Honor. Number one, I might just perhaps say generally in plaintiff's words rather than defendant's words, and you will fully understand why summary judgments are frowned upon and particularly in a complex antitrust case. If there is a valid legal ground, it seems to us to make more sense to us that in the beginning, rather than when you have gone through the kind of complicated class action determination and discovery and all of the rest, that is generally such as an antitrust case to put it into focus. I hope to put in a different kind of focus, to better put into focus

the concept between Parker is simply that the antitrust laws do not apply where state action is involved and the whole concept we are talking about is what is state action, that is Parker's protection at a very minimum. I don't think that the cases they cite are where there has been an affirmative state action or where affirmative state action is required, and the court has held unanimously that Parker applies, but when you get into something less than positive now by the —

(40)

THE COURT: May I ask you a question?

MR. COHEN: Certainly, I'm sorry.

THE COURT: Hasn't the argument been this afternoon, though and perhaps I haven't gone into it, but the question, as to the Federal questions that are in the question, nonetheless, hasn't the argument focused down to this point: Assuming for the sake of your position for summary judgment, that the cases can be reconciled, although this may be a little difficult, and assuming that cases like Washington Gaslight v. Virginia Electric and that cluster of cases were applied, you say that there were certain things that the regulatory body does and Mr. Sklar said the regulatory body does nothing.

MR. COHEN: Your Honor, I didn't mean to interrupt.

THE COURT: Ought there not be, assuming that the law doesn't give us too much trouble, that is to say in citing the cases, ought there not to be a evidentiary hearing to determine whether or not there is state action —

MR. COHEN: The answer —

THE COURT: In view of the assertion by your brother that there is not state action.

(41)

MR. COHEN: I'm opposed to the evidentiary rule, but however, the assertion of my brother is not through affidavits. I think the affidavits are clear and uncontroverted in this matter. Number one, every single one of the franchise agreements to which I refer is subject by agreement through the parties to the rules and regulations and services and so forth to the MPSC; Number two, the lamp exchange program is a part of the rate structure and is published as a part of the rates, and number three, we can put no rates into effect and have put no rates into effect where a lamp program is involved or otherwise without the affirmative approval of the MPSC. Now, those things I think are uncontroverted on the record.

Now, what my brother is suggesting is that we go a step further than the cases that has been cited. He is saying that the fact that the state has approval is not enough, that the court has to go beyond the state approval and determine the amount of attention that the state has given to this particular aspect of the rate, and to what detail they have gone into them, and really how well the state did its job and how thoroughly the state did its job prior to the time that it approved (42) the particular rates. That includes the lamp exchange program. In other words, he is asking the Federal court to go beyond affirmative state action to determine whether or not the state action was, in fact, a thorough kind of consideration before the state action was taken, and I think as a matter of law, your Honor, that this is precisely what Parker intended not to do.

THE COURT: Hold for a moment. Whether or not there is any difficulty that one has in molding the cases into a overall solid principle of law in this area, hold that for a moment. You say that these affidavits show that there is some state action?

MR. COHEN: That there is state action to the extent that the lamp program is included within the rates and services under the rates, and that each and every one of the rates has to be, and is in fact, approved affirmatively by the MPSC. That is uncontroverted in the affidavit.

THE COURT: Hold that. Do you agree, Mr. Sklar?

MR. SKLAR: I don't agree that they are approved, your Honor, no, I don't agree either that all of the franchise agreements include a submission to the (43) affairs and authority of the Michigan Public Service Commission. Now, we have the franchise agreement of the City of Detroit here, which I understand is still in effect, there is no amendment, no provision in here with which makes the

franchise agreement subject to the orders, directive of the Michigan Public Service Commission. I don't agree with this assertion, no.

MR. COHEN: He argues about the word approval. I'm talking about uncontroverted affidavits, our particular franchise itself. There is no question that it is stamped by the Commission and that we cannot put it into effect until the Commission has stamped its approval on each and every one of our rate sheets, that is an uncontroverted question. He is playing games, I don't want to use that, that isn't fair, but he is moving around the word approval to mean something more than giving — have given assent to an affirmative way. I think my colleague has to agree that no rate can go in effect until the Commission itself has in some way or another taken affirmative action to put that rate into effect, and there is no question on that, is there?

MR. SKLAR: I will agree that the publication of the rate sheet has the stamp of the Commission (44) on it. I will agree also that the Commission can regulate rates, yes, Mr. Cohen, I will agree to that. I will not agree, for several reasons which I explained, that there is meaningful and considered judgment entered in here in any way. If I simply want to take this statement which is included in the rate sheet that there is no charge for the exchange in none of the rate sheets, I would disagree with you because that is not what the facts of the case are.

MR. COHEN: We go to the fact as to whether or not as a matter of law, once the rate has been approved, and we agree there has to be an affirmative action in order for us to put it into effect, that is agree they can take the cost of our base as far as the exchange program is concerned, and they would have to agree a step further, I think. They can also order us to delete it from our rate if they take the cost out, they can order us to delete the exchange policy from our rate, but it means we lost state program at this point. We're wide open to antitrust from the state protection. So, there is no disagreement on that.

Now, the question of law is whether the Court has to find as a question of law that state action means a meaningful and considered action by the state (45) in terms of

whether or not as affirmative state action with respect to public utilities, assuming that there are — they are doing their job in conformance with an appropriate tariffs, whether the Court even has a right, really, I don't say this in a sharp critical sense, but in a legal sense to go behind the affirmative action and determine in each case as a question of fact whether or not the state has acted in a meaningful manner, and I suggest to the Court that as far as any court has gone so far at least in Parker v. Brown, the test is whether or not there was affirmative state action, not the fact that it was affirmative, but was it meaningful, but I grant it that meaningful and considered action by the state, I suggest to this Court that Parker has not gone that far and that the concept of Parker is eloquent to it, namely, that the antitrust laws do not effect state action and the purpose is not to have the Federal court have second guesses. Really what it boils down to is state regulatory agents, even though on some questions this might make sense from a general point of view, but in a legal sense.

THE COURT: I understand.

MR. COHEN: It is about the Federal (46) court in the second guesses business of state agency so at least as far as the very basic facts are concerned. We feel it brings it within at least the classic kind of Parker doctrine on the cases that have already been decided. This is taking all of the cases, not specifically the ones we picked out as being in our favor, but there are no cases that says it has to be meaningful and considered. It says there has to be state action, and we feel we should be granted a summary judgment on this part of the procedure.

Now, we didn't call our witness today. It makes some sense to take his testimony because he is supervisor of the Electricity Division of the Public Service Commission, and he has been involved in this thing for 14 years and he is going on a trip, namely to Yugoslavia, and I submit my client would not be returning for a few days. He has to catch a plane, he will be back in a week, so that if there is any question at all on what action the state, in fact takes relating to the meaningfulness of their, and the consideration

which they gave to the program, he will be available in about ten days to have his testimony taken.

THE COURT: Well, here's what goes through my mind, gentlemen: Mr. Sklar, I don't agree with (47) you that it is necessary for me to hear the entire case with all of its antitrust implications alleged in order to determine this issue. It may, however, be necessary for me to take some testimony, and that I propose to consider. What I will do is, I will review again the affidavits that have been filed, and based on the statements that have been made here by counsel, I will determine whether or not simply because you are entitled to all of the inferences that flow favorable to your position in view of the motions, an opportunity ought to be given to determine whether or not there are differences in the facts; and if so, permit such testimony as each side might want to submit with regard to that limited issue so that I can make a finding for the purpose of the motion and then proceed to disposition on it. I don't think that the law here is a significant of regulation, I'm not sure this is an arbitrary case, Mr. Sklar. I don't know. I'm somewhat bothered by the fact that you make the rather categorical assertion that the regulatory body isn't interested in the light bulb program and doesn't do anything about it. I don't know whether or not that's so. I wonder if this isn't the way to proceed. What do you think, Mr. Cohen?

MR. COHEN: I think it makes good (48) sense, your Honor.

THE COURT: Mr. Sklar?

MR. SKLAR: Certainly.

THE COURT: Why don't I make the inquiry in the light of your submissions here and on the papers that you have submitted. If I feel it's necessary after I look over the affidavits, I will have my clerk, Mr. Davis, get ahold of you and arrange for a suitable date for the taking of such testimony as you wish to submit on that issue.

MR. SKLAR: Your Honor, whether or not there should be a hearing, you will keep the depositions of the parties

as well? I recognize that perhaps that is a difficult, voluminous job, the depositions are part of the record?

THE COURT: I will not say no to you on that, but I'm going to ask for your assistance. I am sure that there is in the deposition more than a handful of areas where you would be in dispute, and I will ask you to submit to me what you can agree to that these depositions say.

MR. SKLAR: That's fine, your Honor.

THE COURT: Except in those areas where (49) you say that you are not able to, and there you can submit the specific pages of the depositions for me.

MR. SKLAR: Very well, your Honor.

THE COURT: What have you got, a dozen depositions?

MR. SKLAR: Three or four.

MR. COHEN: Probably two, and we have already quoted what we think would apply in our reply brief.

THE COURT: Anything else?

MR. SKLAR: No, your Honor.

THE COURT: Then the next word will be from me. Here is the order and opinion on the motion manufacturers here and you can get true copies of that from my clerk.

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VOLUME OF EXHIBITS

Exhibit "1" to Defendant's Answers to Interrogatories filed November 6, 1973, Being a List of Edison Agents who Distribute Light Bulbs.

AGENCIES	OFFICES
Adams Appliance	Ann Arbor
Biondi Appliance	Howell
Brose Electric Shop (Detroit)	Milan
Brose Electric Construction	Ypsilanti
Brose Electric Shop (Allen Pk.)	
Curto Robinson, Inc.	Monroe
Dasher Drugs	
DeRonne Hardware	Dearborn
Gambles Hardware (closed Jan. '73)	General Motors
Hamilton Hardware	Gratiot
Huron River Pharmacy	Hamtramck
Krzyszke Brothers	Highland Park
Livonia Hardware	Jefferson
Loeffler Hardware	Lincoln Park
Montgomery Wards	Michigan
Munro Distributing Co. (closed Sept '72)	Plymouth
Northville Hardware (opened Jan '73)	Redford
Rockwood Pharmacy	Third Avenue
Romulus Hardware	Washington Blvd.
Sentry Drugs	Wayne
Sleders Pharmacy	
Stears Hardware	Mt. Clemens
Dennis Grocery	Tech Plaza
Stephens Pharmacy	Roseville
	Utica
D & R Electric	
Gambles Store (Saline)	Birmingham
Gross Electric	Farmington
Hauck's Appliance (Whitmore Lake)	Milford
Keesler's	Northland

AGENCIES	OFFICES
Kitchen Korner	Pontiac
Leland Drug Store	Rochester
	Royal Oak
Goodnough's (Maybee)	Bad Axe
Hagen T.V. (Petersburg)	
Rushlow Drugs (Monroe)	Caro
Albie Hardware (Cass City)	Lapeer
Glasser's Market (Wisner)	
Henderson Drugs (Millington)	Marine City
Western Auto (Vassar)	Port Huron
Armada Ace Hardware	Sandusky
Harms Hardware	
Memphis Hardware	
Price Appliance	
Scheper Electric	
Servos Appliance	
Smith Pharmacy	
American Way Pharmacy (closed June '73)	
Bob's Hardware	
Crump Electric	
Gambles	
Gilliam's	
Hawthorne Electric (Birmingham)	
Hawthorne Electric (Walled Lake)	
Keasey Electric	
Uhan's (Pontiac)	
Village Dry Goods	

Exhibit "2" to Defendant's Answers to Interrogatories filed November 6, 1973, Being Edison's List of "Lamp Prices Paid".

EXHIBIT "2"
Lamp Prices Paid

	GENERAL ELECTRIC					WESTINGHOUSE			SYLVANIA		
LAMP SIZES	1969	1970	1971	1972	1973	1969	1970	1971	1969	1970	1971
25	.107	.107	.122	.117	.117	.25	.112	.117	.25	.28	.112
50/60	.107	.107	.119	.114	.114	.25	.108	.111	.25	.27	.105
75	.107	.107	.119	.114	.114	.25	.108	.111	.25	.27	.105
100	.107	.107	.119	.114	.114	.25	.108	.111	.25	.27	.105
50/150	.254	.254	.285	.273	.273	.59	.26	.270	.59	.61	.24
50/250	.296	.296	.337	.323	.323	.72	.316	.329	.72	.79	.436
150A	.142	.142	.163	.156	.156	.35	.152	.155	.35	.38	.148
200A	.164	.164	.181	.173	.173	.37	.16	.170	.37	.40	.16
100/300	.426	.426	.459	.440	.440	.99	.436	.440	.99	1.09	.436
100 RS	.194	.194	.199	.191	.191	.43	.172	.178	.43	.54	.18
300/IF Med	.254	.254	.275	.263	.263	.55	.24	.242	.55	.60	.24
300/IF Mog	.323	.323	.323	.340	.340	.75	.30	.330	.75	1.15	.30
500 IF	.494	.494	.495	.474	.474	1.20	.46	.518	1.20	1.15	.48
750	3.22	3.22	4.05	3.88	3.88	8.00	—	—	—	—	—
1000	3.65	3.65	4.25	4.07	4.07	8.50	—	—	—	—	—

These prices are subject to discounts as shown in Exhibit II.

Exhibit "3" to Defendant's Answers to Interrogatories filed November 6, 1973, Being a Statement of Edison's "Discounts and Payment Terms".

Discounts and Payment Terms

Discounts

	GENERAL ELECTRIC (Total Calendar Year Net Purchases Less Discount Allowed On Total Purchases)	WESTINGHOUSE	SYLVANIA
1969	Up to $ 400,000 - 0% $ 400,000 to 1,000,000 - 4% 1,000,000 to 1,250,000 - 5% 1,250,000 to 1,500,000 - 6% 1,500,000 to 2,000,000 - 7%	Quoted Prices Less 60%	Quoted Prices Less 57%
1970	Up to $ 400,000 - 0% $ 400,000 to 1,000,000 - 4% 1,000,000 to 1,350,000 - 5% 1,350,000 to 1,600,000 - 6% 1,600,000 and Up - 7%	Quoted Prices Less Dollar Volume Discount $ 0 to $250,000 251,000 to 500,000 501,000 to 750,000 751,000 to 1,000,000	Quoted Prices Less Dollar Volume Discount Less than $300,000 - 57% $300,000 - $600,000 - 58% $600,000 - $700,000 - 58.5% $700,000 - $800,000 - 59% $800,000 - $900,000 - 59.5% $900,000 and Up 61%
1971	Up to $ 400,000 - 0% $ 400,000 to 1,000,000 - 4% 1,000,000 to 1,350,000 - 5% 1,350,000 to 1,600,000 - 6% 1,600,000 to 1,900,000 - 7% 1,900,000 and Up - 8%	Quoted Prices Less Dollar Volume Discount $ 0 to $250,000 250,000 and Up	Net Quoted Prices
1972	Up to $ 400,000 - 0% $ 400,000 to 1,000,000 - 4% 1,000,000 to 1,350,000 - 5% 1,350,000 to 1,600,000 - 6% 1,600,000 to 1,900,000 - 7% 1,900,000 and Up - 8%	Net Quoted Prices	Net Quoted Prices
1973	Up to $ 400,000 - 0% $ 400,000 to 1,000,000 - 4% 1,000,000 to 1,350,000 - 5% 1,350,000 to 1,600,000 - 6% 1,600,000 to 1,900,000 - 7% 1,900,000 to 2,150,000 - 8% 2,150,000 to 2,400,000 - 9% 2,400,000 and Up - 10%	Quoted Prices Less Dollar Volume Discount 0 - 24% 25 - 49% 50 - 100%	Net Quoted Prices

Continued on Page 2

EXHIBIT "3" — Page 2

Prompt Cash Payment Terms

	General Electric	Westinghouse	Sylvania
1969	2%	Net	2%
1970	2%	2%	2%
1971	2%	2%	2%
1972	2%	2%	2%
1973	2%	2%	2%

Exhibit "4" to Defendant's Answers to Interrogatories filed November 6, 1973, Being Edison's "Customer Relations Routine Instruction".

Customer Relations Routine Instruction B-101
Page 1

Subject: *Lamp Supply Control Procedures*

Policy Ref: B-11, 12 and 13

Identification

Persons asking for lamp exchanges should be asked to present a recent electric bill or some other identification, unless the Customer Office Representative knows from past experience or personal knowledge that the person is entitled to lamp exchanges.

Customers Accounts must be called when a commercial customer presents identification other than an electric bill

to verify that the customer qualifies for lamp exchanges, and whenever KWHR information is needed.

It is our intention to furnish all the incandescent lamps a customer needs at any premises served on a rate which includes lamp exchanges. We should avoid making it difficult for customers to obtain the lamps they need and are entitled to. If he needs the lamps, we want him to obtain them with a minimum of inconvenience. The absence of an electric bill, by itself, is never sufficient reason to refuse to exchange lamps. Most customers will willingly tell us who they are and what their address is if we ask them for the information in a courteous and business-like manner.

Limits

The number of lamps exchanged should usually be limited to the quantities shown in Exhibit 1 attached. Old lamps not exchanged ought to be retained, but may be returned to the customer if he asks for them.

In those cases when the customer is furnished a lesser number of lamps than he presents, it may be helpful to explain that improvements in lamps occur frequently. Large supplies of extra lamps cause the customer to be deprived of the benefits of these improvements.

Form SA 242

• Form SA 242 must be prepared and signed by the customer, for all General Service Rate lamp exchanges and for Domestic Service exchanges involving 100 lamps or more. For Domestic exchanges of fewer than 100 lamps, either the SA 242, or a hand stamp noting the number of lamps exchanged on the customer's bill receipt, will be used. If the SA 242 is used in this situation, only the total number of lamps received and the customer's signature need be recorded.

In all exchanges involving 100 lamps or more, or when the transaction includes a full carton quantity of any one size, the customer's KWHR use as shown on his bill is to be noted on the form. When the customer uses other identification, the average KWHR use can be obtained from

Customers Accounts when the customer's rate is checked, and then noted on the form.

SA 242's for all General Service exchanges need to be retained until the lamp closing date each month, and then totalled so that the General Service exchanges can be reported to the Lamp Clerk in accordance with Customer Relations Routine Instruction B-100. The following SA 242's will then be forwarded to the Division or District office:

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• Indicates Revision

— those which are for a total of 100 lamps or more.
— those which include a full carton quantity of any one size.
— those for smaller quantities but for customers who sometimes exchange 100 lamps at one time, or who sometimes exchange carton quantities at one time.

Lampeterias

Offices using lampeterias will follow the same steps as outlined above at the counter before the customer selects his lamps. Then the customer should be given an appropriate size bag with the number of lamps he is to select marked on the bag.

Every opportunity should be used to assist customers in making their selections of lamps and to discuss good lighting practices with them.

Large Exchanges

• SA 242's for all exchanges of 100 lamps or more, or including a carton quantity of any one size, will be filed for a minimum of one year in the headquarters office of the Division or District in which the customer is located. Included in the file will be SA 242's for smaller quantities exchanged by customers who have multiple exchanges, any one of which may be for 100 lamps or include a carton quantity.

The file will be kept in address order. On the occasion of each exchange for any one account, the total number of lamps exchanged will be reviewed. If the number of lamps which have been exchanged appears to be excessive, an investigation will be made by a Customer Office supervisor or CBR. The intent of the investigation is to prevent excessive or fraudulent exchanges. Excessive or fraudulent exchanges • are to be billed to the customer. The Law Department should be consulted when we in the Sales Department are unable to resolve the situation or encounter difficulty with it.

Suspected Lamp Diversion

Special caution needs to be exercised to avoid exchanging lamps for use outside Detroit Edison territory. Persons living outside Detroit Edison territory may work in our area, or they may have accounts for business places or summer cottages on our lines. Care-of addresses will sometimes be a clue to the identity of these persons.

Supervisors of Customer Offices having this problem should, if they sense this problem exists, institute a local control on exchanges made by persons who are suspected of diverting lamps from our territory. SA 242's should be prepared for these transactions and bear the signature of the person receiving the lamps. The SA 242's should be retained in address order, so that subsequent exchanges by the same person will be recognized. A list of the addresses in the file might be kept at the counter for ready reference.

When and if exchanges for one address become excessive, the situation should be discussed with the customer, in the same manner as described above for • excessive exchanges. This local control will not be completely effective, but it will identify some fraudulent exchanges and tend to discourage the practice.

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Supersedes: 8/5/64
• Indicates Revision

Letters of Authorization

General Service customers (usually chain stores, apartment buildings and office buildings) and apartments on the Domestic Service Rate sometimes find it inconvenient to present electric bills for identification because the bills are kept at main offices, or they must be removed from file. Some of them prepare a letter on their own stationery apthorizing an employe to exchange lamps. The employe presents the letter at a Customer Office each time an exchange is requested. This practice works well and should be encouraged.

When such a letter is first presented, Customers Accounts must be called to determine if the customer qualifies for lamp exchanges. If he does, the following information should be noted on the letter:

— average KWHR use
— rate
— office name
— date

The date and quantity of lamps exchanged will be noted or stamped on the letter at the time of each transaction and the letter returned to the customer's employe.

Each time the letter is presented, the Customer Office Representative should *first* take note of the date the letter has been verified with Customers Accounts. If this date is a year past, the account must be checked again and the same four items of information again placed on the letter.

As with all General Service exchanges and for Domestic Service exchanges involving 100 lamps or more, the customer's employe should sign an SA 242. The average KWHR use is to be noted on the SA 242 when exchanges total more than 100 lamps or include a carton quantity of any one size.

Agency Transactions

• Reports of lamp exchanges made by Service Agencies need to be closely scrutinized by the Company representative who services the agency to assure that the agent is observing the instructions in the manual for Customer Business Agencies.

First Supplies •

First supplies are furnished for newly constructed residences. The transaction will be recorded on an SA 242 and will be signed by the customer. Requests for lamps for more than one residence at one time will sometimes come from the builders; arrangments should be made for an electric living advisor to contact these builders to discuss their lighting needs.

Issued: 6/1/72
Supersedes: 12/12/66
• Indicates Revision

Added Supplies•

Domestic Service customers sometimes request lamps without old ones to exchange. If the situation warrants, the customer should be given a supply appropriate to their needs.

Electric Living Advisors

Electric Living Advisors sometimes recommend changes in lighting which require different wattages in existing fixtures or in added fixtures. These recommendations are made on Form SA 243 which is signed by the Advisor and left with the customer. When this form is presented at an office, the customer will be supplied with the recommended exchangeable sizes without charge. Old lamps need not be presented by the customer.

Primary and Large General Service Rate

Lamp exchange service is not furnished to customers or occupants of buildings served on the Primary rates and Large General Service rate. It is the responsibility of office personnel to identify those occupants or customers who are not entitled to exchange.

Issued: 6/1/72
Supersedes: 12/12/66
* Indicates Revision

Larger quantities, generally not exceeding 20, may be furnished to customers who have moved into a residence from which the lamps have been removed or whose lamps have been destroyed by fire. These are to be considered as "added supplies" and recorded on form SA 242, exactly the same as described above for "first supply." The SA 242's will be kept on file for a period of 90 days, for the same reason as for "first supplies."

Electric Living Advisors

Electric Living Advisors sometimes recommend changes in lighting which require different wattages in existing fixtures or in added fixtures. These recommendations are made on form SA 243 which is signed by the Advisor and left with the customer. When this form is presented at an office, the customer will be supplied with the recommended exchangeable sizes without charge. Old lamps need not be presented by the customer.

Residential Buildings on Primary Rate

Lamp exchange service is not furnished to occupants of buildings served on the Primary rate. Exhibit #2 attached lists some buildings on the Primary rate. This list may be helpful to customer office personnel.

(s) T. J. Peterson
T. J. Peterson

Issued: 12/12/66

LAMP EXCHANGE TABLE

Residential

Up to 200 KWHR per bi-monthly bill	10 lamps per year
300	15
400	18
500	22
600	25
700	28
800	30
900	32
1000	35

Commercial

KWHR Use Per Month	Lamps Per Year	KWHR Use Per Month	Lamps Per Year
100	6	2000	55
200	12	2500	68
300	16	3000	76
400	20	3500	90
500	24	4000	100
600	27	4500	112
700	29	5000	125
800	31	7500	160
900	33	10,000	190
1000	35	12,500	220

1100	37	15,000	250
1200	39	17,500	280
1300	41	20,000	310
1400	43	22,500	340
1500	45	25,000 and up	360

• These lamp tables are to be used only as guide lines during lamp transactions. They are not intended as limits during any one lamp exchange. Control of lamp passouts, it is hoped, will be achieved by limiting the number of lamps a customer secures at any one time.

Higher use customers (5000 KWHR and over) are restricted to approximately three month's supply of lamps at one time. More than 360 lamps should not normally be exchanged at one time.

Issued: 6/1/72
Supersedes: 5/8/67
• Indicates Revision

Exhibit "5" to Defendant's Answers to Interrogatories filed November 6, 1973, Being Edison Price List for Various Sized Bulbs.

LAMP RELEASE-S

PRICE-(EA)

PRICE-(EA)

	INCANDESCENT						
2/.68			24	2.59			12
.45			12	2.60			12
.45			12	2.60			12
.69			12	5.75			1
.69			12		FLAIR		
.69			12	.69			12
2/1.16			24	.79			12
2/1.16			24	.79			12
.92			12	.79			12
.64			24	.69			12
.69			24	.79			12
.92			24	.79			12
.28			12	.89			12
2/.58			12	.57			12
.41			12	.69			12
.41			12	.69			12
.41			12				
.37			12	.79			12
.99			6	.79			12
1.16			6	.57			12
.69			12	.69			12
.36			24	.69			12
.89			12				
1.02			12	.79			12
				.89			12
.52			24	.79			12
.37			24	.89			12
.52			24	.79			12
.52			24	.79			12
.52			24	.89			12
.52			24				
.52			24		FLUORESCENT		
1.39			12	2.25			6
2.25			6	2.20			6
				2.25			6
1.95			6	2.25			6
1.51			24	2.80			6
1.51			24	1.65			6
1.60			24	4.65			12
1.60			24	4.90			12
1.89			6				
3.80			6	2.79			12
11.89			6	2.98			12
3.45			12				
3.45			12				
3.45			12				
3.45			12				
2.59			12		TOTAL PAGE(S)		

THE DETROIT EDISON COMPANY

11/4/73

BEST COPY AVAILABLE

Exhibit #1-A to Plaintiff's Memorandum in Opposition to Defendant's Motion for Summary Judgment filed March 11, 1974, Being the Detroit Edison Explanation of its Franchises as filed with the MPSC.

THE DETROIT EDISON COMPANY FRANCHISES

(Filed February 8, 1944)

The Detroit Edison Company is operating under the terms of local franchises granted to it or to its predecessors or assignors by the various municipalities and townships in which it is doing business. Copies of these local franchises follow this statement.

The Company also refers to all such rights, privileges and franchises as it, its predecessors and assignors, have or are entitled to under or by virtue of the Statutes of the State of Michigan.

In the Detroit and Eastern Michigan Divisions none of the local franchises specify definite rates. The majority state that the rates shall not be greater than the current rates charged for similar service at the time in force in the City of Detroit. A few specify rates similar to those in effect in other cities served by the Company, such as Ann Arbor, Mt. Clemens, etc. Many of the local franchises make no reference to rates.

The Detroit Edison Company is operating in the City of Detroit under an ordinance of the Common Council of the City of Detroit entitled, "An Ordinance authorizing the Edison Illuminating Company of Detroit, its successors and assigns to lay pipes, mains, conductors, and service pipes in the streets, avenues, and alleys in the City of Detroit," approved by the Mayor, July 13th, 1886; the supplement to the same approved November 19th, 1889; and the amendment approved June 5th, 1915; copies of which ordinance, supplement and amendment follow this statement. It is also operating in the City of Detroit under and by virtue of an ordinance of the Common Council of the City of De-

troit, entitled, "An Ordinance authorizing and regulating for the purpose of supplying light, the erection, laying and operating poles, mains, wires, pipes, lamps and conductors in the public streets, alleys and other public places of the City of Detroit, by the Brush Electric Light Company of said city," approved by the Mayor, March 18th, 1882, and the amendments thereof; copies of which ordinance and amendments follow this statement.

The Detroit Edison Company is the successor and assignee of the Detroit Electric Light and Power Company, and of the Edison Electric Light Company of Detroit, and of The Excelsior Electric Light Company of Detroit, to whom, at different times, the City of Detroit has, by ordinance, granted consent to their occupation of the streets; but The Detroit Edison Company has at no time professed to do business under these ordinances.

The Company also refers to ordinances of villages and townships, whose territory, or some part thereof, has subsequently been annexed to the City of Detroit, granting to the Company the right to occupy the streets in such territory subsequently annexed, so far as these ordinances may be applicable.

In the Lake Huron Division all franchises make no reference to rate agreements with the exception of franchise granted in the City of Bad Axe; franchise granted in the Village of Kinde; franchise granted in the Village of Pigeon, all in Huron County; franchise granted in the Village of Clifford, in Lapeer County; franchise granted in Township of Denmark to Southern Michigan Light & Power Company and franchise granted in the Village of Reese, both in Tuscola County, Michigan.

The clause with reference to rates, which appears in the franchise granted by the City of Bad Axe, states that the rates charged by the grantee, his successors and assigns, shall not be in excess of the rates charged in April 1920 by the City of Bad Axe.

The clause with reference to rates, which appears in the franchise granted by the Village of Kinde, states that the

current rate charged for residence and commercial lighting shall not exceed the rates charged for similar service in the City of Bad Axe.

The clause with reference to rates, which appears in the franchise granted by the Village of Pigeon, states that the current rate charged for residence and commercial lighting shall not exceed the rates charged for similar service in the City of Bad Axe.

The clause with reference to rates, which appears in the franchise granted by the Village of Clifford specifies that rates for residence lighting, commercial lighting, and power shall be the Company's standard rates.

The clause with reference to rates, which appears in the franchise granted by the Township of Denmark, specifies maximum rates which are higher than the Company's standard rates.

The clause with reference to rates, which appears in the franchise granted by the Village of Reese, specifies maximum rates which are higher than the Company's standard rates.

This statement was made as of November 1, 1936.

Exhibit #1-B to Plaintiff's Memorandum in Opposition to Defendant's Motion for Summary Judgment filed March 11, 1974, Being Franchise Issued to Detroit Edison by the City of Inkster on July 17, 1972.

CITY OF INKSTER

Wayne County, Michigan

Granted To
THE DETROIT EDISON COMPANY
July 17, 1972

THE CITY OF INKSTER ORDAINS:

SECTION 1. Permission is hereby granted to THE DETROIT EDISON COMPANY, incorporated under the laws of the States of Michigan and New York, its successors and assigns, to construct, maintain and operate in the public streets, highways, alleys and other public places in the City of Inkster, Wayne County, Michigan, all needful and proper poles, towers, mains, wires, pipes, conduits and all such lines and other apparatus requisite for the transmission, transforming and distribution of electricity for public and private use, and to transact a local electric business within said City, subject, however, to all conditions and restrictions hereinafter contained.

SECTION 2. The conditions of the foregoing are as follows:

A — The grantee shall do no injury to any street, highway, alley or other public place, or to any shade trees, or in any manner disturb or interfere with any water or gas pipes, or with any public or private sewer, now or hereafter laid or constructed by any authorized person or corporation.

B — The City may, in its discretion, grant permission for the trimming of trees when necessary to make the lines safe and accessible, such trimming to be done under its supervision.

C — The construction of the said lines shall be in accordance with the rules and regulations of the Michigan Public Service Commission or its successor.

D — The said grantee, before entering upon any street, highway, alley or other public place for the purpose of erecting and constructing any poles, mains, wires, pipes, conduits, or other apparatus, shall in writing notify the City or its representatives of the proposed construction, and shall, if the City so requires, file with them a sufficient plan and specification, showing the nature and extent of the proposed erection and construction.

E — No street, highway, alley or public place shall be allowed or remain open or encumbered by the construction work of the said grantee for a longer period than shall be necessary to execute the said work, and the grantee shall at all times conform to all ordinances of the City, now or hereafter in force, relative to the fencing and lighting of obstructions and excavations.

F — The grantee shall save the City harmless from any judgment that may be recovered against the City by reason of the wrongdoing or negligence of the said grantee in the erection and maintenance of said poles, mains, wires and other apparatus or construction.

G— Said grantee shall make due provision upon forty-eight hours' notice in writing by raising its wires or otherwise, for the passage of any barn, building or other structure on or over any street, highway, or public place occupied by the mains, wires, poles and apparatus of said grantee.

H — This franchise is not exclusive.

Printed April, 1973

City of Inkster
The Detroit Edison Company

SECTION 3. In consideration of the granting of this franchise, grantee agrees that its rates and charges for electric service in the City of Inkster shall not exceed its rates and charges for like service elsewhere in its service area, evidenced by its uniform rate schedules at the time on file with and approved by the Michigan Public Service Commission. It is understood that the grantee is subject to regulation by the Michigan Public Service Commission and that any order, rule, or regulation by that Commission, or its successor, will prevail over any regulation herein contained or provided for in case of conflict.

SECTION 4. This grant shall take effect if said grantee shall, within fifteen days from the date of the passage of this ordinance, file with the City Clerk its written acceptance of the terms of the same, and upon the confirmation of this grant, by the affirmative vote of three-fifths of the electors of said City, voting thereon at a regular election to be held on Tuesday, the 7th day of November, 1972, as provided for by the Statutes and the State Constitution.

If not confirmed by the electors voting at said election, this ordinance shall be null and void.

SECTION 5. This Franchise and Ordinance shall be and remain in force for thirty (30) years from and after the date of its confirmation by the electors of the CITY OF INKSTER, Wayne County, Michigan.

SECTION 6. Nothing in this grant shall be construed to alienate the title of the public in and to any street, highway, alley or public place or any portion thereof, neither shall anything herein be construed in any manner as a surrender by the CITY OF INKSTER of its legislative power with respect to the subject matter hereof, or with respect to any other matter whatsoever; nor as in any manner limiting the right of the said CITY OF INKSTER to lawfully regulate the use of any street, avenue, highway, or public place within its jurisdiction.

SECTION 7. The City of Inkster shall have the right at any time to terminate this franchise and purchase in its entirety the property of the grantee, its successors or assigns, within said City at a price to be agreed upon, determined by arbitration as follows: One arbitrator shall be appointed by said City, one arbitrator shall be appointed by the grantee, and the two arbitrators so appointed shall select by agreement the third arbitrator, and the unanimous determination by said arbitrators of the price to be paid shall be binding upon both the City and the grantee, its successors and assigns, and upon payment of such purchase price by the City to the grantee, its successors or assigns, the City shall become and be entitled to a deed and bill of sale of the property so purchased. Upon such sale to the

City this franchise shall be surrendered at no cost to the City. Nothing in this ordinance shall prevent the City from acquiring the property of any such utility by condemnation proceedings or in any other lawful mode.

Dated this 17th day of July, 1972.

(Signed) Edward Bivens, Jr.
Mayor

(Signed) Betty G. Miller
City Clerk

Printed April, 1973

City of Inkster
The Detroit Edison Company

I hereby certify that the above and foregoing is a true and correct copy of a franchise granted by ordinance to THE DETROIT EDISON COMPANY, at a regular meeting of the City Council of the CITY OF INKSTER, Wayne County, Michigan, held on Monday, the 17th day of July, 1972, said franchise to take effect upon its confirmation by the electors of said City as provided for in Section 4 thereof.

(Signed) Betty G. Miller
City Clerk

(Copied from signed and certified copy of Ordinance in files of The Detroit Edison Company.)

Ordinance Adopted by the City Council, July 17th, 1972, as certified by City Clerk (Betty G. Miller), in signed and certified copy of Ordinance in files of The Detroit Edison Company.

Written Acceptance Filed (subject to the confirmation of Grant by electors) with City Clerk (dated July 17th, 1972) as certified by City Clerk, Betty G. Miller. (Signed

and certified copy of Acceptance in files of The Detroit Edison Company.)

Grant Confirmed by Electors, November 7th, 1972, as certified by City Clerk, Betty G. Miller. (Signed statement of Election Returns in files of The Detroit Edison Company.)

Written Acceptance Filed with City Clerk (dated November 7th, 1972) as certified by City Clerk, Betty G. Miller. (Signed and certified copy of Acceptance in files of The Detroit Edison Company.)

Printed April, 1973.

Exhibit #1 to Plaintiff's Memorandum in Opposition to Defendant's Motion for Summary Judgment filed March 11, 1974, Being a multipage exhibit setting out all rate sheets filed with the Michigan Public Service Commission, or its predecessor agencies, showing the lamp supply or exchange clause. These documents were covered by Interrogatory No. 9 and described in the depositions as Plaintiff's Deposition Exhibit #4.

Defendant's Answer to
Interrogatory No. 9

Attached are copies of all rate sheets filed with the Michigan Public Service Commission, or its predecessor agencies, showing the lamp supply or exchange clause.

M.P.S.C. No. 7 . Original Sheet No. B5

RULES AND REGULATIONS—Continued

B-5.1 SERVICE CONNECTIONS—All wiring upon the customer's premises shall be brought by the customer to any suitable point of service specified by the Company. Only one service connection is installed to a building or group of buildings including adjacent service areas under a single ownership except where separate service is required for disturbing use of service or where in the judgment of the Company additional services are necessary or desirable for operating reasons or because of the requirements of public safety. Detailed specifications for service connections will be furnished upon request at any customer business office.

B-5.2 CUSTOMER'S INSTALLATION—All wiring on the customer's premises shall be installed and maintained in accordance with applicable laws and the rules of the governmental authority having jurisdiction, the National Electrical Code and the rules of the Company.

The customer shall provide, free of expense to the Company, a suitable place for the meter or meters and any other supply, protective or control equipment of the Company which may be required in the delivery of the service.

B-5.3 COMPANY EQUIPMENT ON CUSTOMER'S PROPERTY—The Company will keep in repair and maintain its own property installed on the premises of the customer. All equipment supplied by the Company shall remain its exclusive property, and the Company shall have the right to remove the same from the premises of the customer at any time after the termination of service from whatsoever cause.

The customer shall be responsible for the safekeeping of the Company's property and shall not permit any person except an authorized Company representative to break any seals upon, or do any work on, any meter or other apparatus of the Company located on the customer's premises.

B-5.4 ACCESS TO PREMISES—As a condition of taking service, authorized employes and agents of the Company shall have access to the customer's premises at all reasonable hours to install, inspect, read, repair or remove its meters, and to install, operate and maintain other Company property, and to inspect and determine the connected electrical load. Authorized employes and agents shall carry identification furnished by the Company and shall display it upon request.

B-5.5 LAMP SUPPLY: Incandescent lamps will be furnished without extra charge:

(1) To residences connected for the first time to the Company lines, in such quantities as may be needed for all permanent fixtures.

(2) As replacements of approved burned out lamps in proportion to the use of energy for lighting purposes under the applicable rate.

FILED
SEP 7 1972

Issued: August 18, 1972
By R. W. Hartwell,
Executive Vice President for Finance
2000 Second Ave., Detroit, Michigan 48226

Effective on service rendered on and after August 19, 1972 under authority of Order of the Michigan Public Service Commission dated August 18, 1972, in Case U-3910.

M.P.S.C. No. 7 Original Sheet No. D1

DOMESTIC SERVICE RATE

AVAILABILITY OF SERVICE: Available to customers desiring service for all domestic purposes through one meter to a single occupancy or individual dwelling unit including farm dwellings. Service to appurtenant buildings may be taken on the same meter.

HOURS OF SERVICE: 24 hours.

CURRENT, PHASE AND VOLTAGE: Alternating current, single phase, nominally at 120/240 volts, three-wire. Where available, and the demand justifies, three-phase, four-wire, delta connected service may be had at 120/240 volts nominally.

Except that, in certain city districts, alternating current is supplied from a Y connected secondary network from which 120/208 volt three-wire service may be taken.

RATE PER MONTH:

Energy Charge:

$1.50 which shall include 15 kilowatthours or less,
3.50¢ per kilowatthour for the next 85 kilowatthours,
2.80¢ per kilowatthour for the next 100 kilowatthours,
2.60¢ per kilowatthour for the next 300 kilowatthours, and
2.40¢ per kilowatthour for the excess kilowatthours.

DISCOUNT: 3% for prompt payment.

MINIMUM CHARGE: $1.50 per month less 3% for prompt payment.

LAMP SUPPLY: See Schedule Designation B-5.5.

CONTRACT TERM: Open order, terminable on three days written notice by either party. Where special services are required, the term will be as specified in the applicable contract rider.

WATER HEATING SERVICE: Water heating service is available on an optional basis. See Schedule Designation No. D5.

FILED
SEP. 7 1972

Issued: August 19, 1972
By R. W. Hartwell,
Executive Vice President for Finance
2000 Second Ave., Detroit, Michigan 48226

Effective on service rendered on and after August 19, 1972 under authority of Order of the Michigan Public Service Commission dated August 18, 1972, in Case U-3910.

BEST COPY AVAILABLE

Exhibit "1"

M.P.S.C. No. 7 — Original Sheet No. D2

DOMESTIC SPACE HEATING RATE

AVAILABILITY OF SERVICE: Available on an optional basis for customers desiring service for all domestic purposes only to a single occupancy or dwelling unit including farm dwellings in which all of the space heating is supplied by electric service through the same meter and is installed on a permanent basis.

HOURS OF SERVICE: 24 hours.

CURRENT, PHASE AND VOLTAGE: Alternating current, single phase, nominally at 120/240 volts, three-wire. Where available, and the demand justifies, three-phase, four-wire, delta connected service may be had at 120/240 volts nominally.

Except that, in certain city districts, alternating current is supplied from a Y connected secondary network from which 120/208 volt three-wire service may be taken.

RATE PER MONTH:

Energy Charge:

$1.50 which shall include 15 kilowatthours or less,
3.50¢ per kilowatthour for the next 85 kilowatthours,
2.80¢ per kilowatthour for the next 100 kilowatthours,
2.60¢ per kilowatthour for the next 300 kilowatthours,
2.40¢ per kilowatthour for the next 500 kilowatthours, and
1.75¢ per kilowatthour for the excess kilowatthours.

DISCOUNT: 3% for prompt payment.

MINIMUM CHARGE: $1.50 per month less 3% for prompt payment.

LAMP SUPPLY: See Schedule Designation B-5.5.

CONTRACT TERM: Open order, terminable on three days written notice by either party. Where special services are required, the term will be as specified in the applicable contract rider.

WATER HEATING SERVICE: Water heating service is available on an optional basis. See Schedule Designation No. D5.

Issued: August 19, 1972
By R. W. Hartwell,
Executive Vice President for Finance
2000 Second Ave., Detroit, Michigan 48226

Effective on service rendered on and after August 19, 1972 under authority of Order of the Michigan Public Service Commission dated August 18, 1972, in Case U-3910.

Exhibit "1"

M.P.S.C. No. 7 — Original Sheets No. D3

GENERAL SERVICE RATE

AVAILABILITY OF SERVICE: Available to customers desiring service for any purpose, except that this rate is not available for service in conjunction with the Large General Service Rate, nor to installations having a demand of over 1000 kilowatts not taking service on this rate prior to the effective date below.

The 1000 kilowatt limitation may be waived for the following cases:

1. For temporary installations where the customer pays the "in and out" charges.
2. For Primary Supply installations during construction while the building is under jurisdiction of the contractor.

Standby service not available under this rate.

HOURS OF SERVICE: 24 hours.

CURRENT, PHASE AND VOLTAGE: Alternating current, single phase, nominally at 120/240 volts, three-wire; or three phase four-wire, delta connected at 120/240 volts; or under certain conditions three phase four-wire, Y connected at 277/480 volts.

Except that, in certain city districts, alternating current is supplied from a Y connected secondary network from which 120/208 volt, three-wire or 120/208 volt, three phase four-wire service may be taken.

RATE PER MONTH:

Energy Charge:

$1.50 which shall include 15 kilowatthours or less,
4.50¢ per kilowatthour plus fuel adjustment for the next 85 kilowatthours,
3.80¢ per kilowatthour plus fuel adjustment for the next 900 kilowatthours,
2.80¢ per kilowatthour plus fuel adjustment for the next 9,000 kilowatthours, and
2.20¢ per kilowatthour plus fuel adjustment for the excess kilowatthours.

FUEL ADJUSTMENT: See Schedule Designation B-4.6.

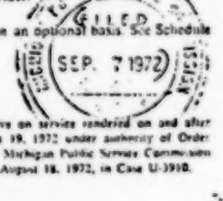
DISCOUNT: 3% for prompt payment.

MINIMUM CHARGE: $1.50 per month, less 3% discount for prompt payment.

LAMP SUPPLY: See Schedule Designation B-5.5 (2).

CONTRACT TERM: Open order, terminable on three days written notice by either party. Where special services are required, or where the investment to serve is out of proportion to the revenue derived therefrom, the term will be as specified in the applicable contract rider.

WATER HEATING SERVICE: Water heating service is available on an optional basis. See Schedule Designation No. D5.



Issued: August 19, 1972
By R. W. Hartwell,
Executive Vice President for Finance
2000 Second Ave., Detroit, Michigan 48226

Effective on service rendered on and after August 19, 1972 under authority of Order of the Michigan Public Service Commission dated August 18, 1972, in Case U-3910.

M.P.S.C. No. 6 — *Second* Revised Sheet No. D1

DOMESTIC SERVICE RATE

AVAILABILITY OF SERVICE: Available to customers desiring service for all domestic purposes through one meter to a single occupancy or individual dwelling unit including farm dwellings. Service to appurtenant buildings may be taken on the same meter.

HOURS OF SERVICE: 24 hours.

CURRENT, PHASE AND VOLTAGE: Alternating current, single phase, nominally at 120/240 volts, three-wire.

Except that, in certain city districts, alternating current is supplied from a Y connected secondary network from which 120/208 volt three-wire service may be taken.

RATE PER MONTH:

Energy Charge:

$1.50 which shall include 15 kilowatthours or less,
3.50¢ per kilowatthour for the next 85 kilowatthours,
2.80¢ per kilowatthour for the next 100 kilowatthours,
2.35¢ per kilowatthour for the next 300 kilowatthours, and
2.20¢ per kilowatthour for the excess *kilowatthours*.

DISCOUNT: 5% for prompt payment.

MINIMUM CHARGE: *$1.50* per month less 5% for prompt payment.

LAMP SUPPLY: See Lamp Supply, Schedule Designation B-5.5.

CONTRACT TERM: Open order, terminable on three days written notice by either party. Where special services are required, the term will be as specified in the applicable contract rider.

WATER HEATING SERVICE: Water heating service is available on an optional basis. See Schedule Designation No. D5.

FILED
APR 5 1972

Issued: *April 3, 1972*
By R. W. Hartwell,
Executive Vice President for Finance
2000 Second Ave., Detroit, Michigan 48226

Effective on service rendered on and after *March 31, 1972*, under authority of Order of the Michigan Public Service Commission dated *March 30, 1972*, in Case *U-3910*.

M.P.S.C. No. 6 — *Second* Revised Sheet No. D2

ALL-ELECTRIC DOMESTIC SERVICE RATE

AVAILABILITY OF SERVICE: Available on an optional basis to customers desiring service for all domestic purposes to a single occupancy or dwelling unit including farm dwellings in which the space heating is supplied by electric service installed on a permanent basis.

HOURS OF SERVICE: 24 hours.

CURRENT, PHASE AND VOLTAGE: Alternating current, single phase, nominally at 120/240 volts, three-wire.

Except that, in certain city districts, alternating current is supplied from a Y connected secondary network from which 120/208 volt three-wire service may be taken.

RATE PER MONTH:

Energy Charge:

$1.50 which shall include 15 kilowatthours or less,
3.50¢ per kilowatthour for the next 85 kilowatthours,
2.80¢ per kilowatthour for the next 100 kilowatthours,
3.35¢ per kilowatthour for the next 300 kilowatthours,
2.20¢ per kilowatthour for the next *300* kilowatthours, and
1.70¢ per kilowatthour for the excess *kilowatthours*.

DISCOUNT: 5% for prompt payment.

MINIMUM CHARGE: $1.50 per month less 5% for prompt payment.

LAMP SUPPLY: See Lamp Supply, Schedule Designation B-5.5.

CONTRACT TERM: Open order, terminable on three days written notice by either party. Where special services are required, the term will be as specified in the applicable contract rider.

WATER HEATING SERVICE: Water heating service is available on an optional basis. See Schedule Designation No. D5.

FILED
APR 5 1972

Issued: *April 3, 1972*
By R. W. Hartwell,
Executive Vice President for Finance
2000 Second Ave., Detroit, Michigan 48226

Effective on service rendered on and after *March 31, 1972*, under authority of Order of the Michigan Public Service Commission dated *March 30, 1972*, in Case *U-3910*.

Exhibit "1"

M.P.S.C. No. 6 — *Second* Revised Sheet No. D3

GENERAL SERVICE RATE

AVAILABILITY OF SERVICE: Available to customers desiring service for any purpose, except that this rate is not available for service in conjunction with the Large General Service Rate, *nor to installations having a demand of over 500 kilowatts not taking service on this rate on* the effective date below. Standby service not available under this rate.

HOURS OF SERVICE: 24 hours.

CURRENT, PHASE AND VOLTAGE: Alternating current, single phase, nominally at 120/240 volts, three-wire; or three phase four-wire, delta connected at 120/240 volts; or under certain conditions three phase four-wire, Y connected at 277/480 volts.

Except that, in certain city districts, alternating current is supplied from a Y connected secondary network from which 120/208 volt, three-wire or 120/208 volt, three phase four-wire service may be taken.

RATE PER MONTH:

Energy Charge:

$1.50 which shall include 15 kilowatthours or less,
4.50¢ per kilowatthour *plus fuel adjustment* for the next 85 kilowatthours,
3.75¢ per kilowatthour *plus fuel adjustment* for the next 900 kilowatthours,
2.70¢ per kilowatthour plus fuel adjustment for the next 9,000 kilowatthours, and
2.15¢ per kilowatthour plus fuel ajdustment for the excess *kilowatthours*.

FUEL ADJUSTMENT: See Fuel Adjustment Clause, Schedule Designation B-4.6.

DISCOUNT: 3% for prompt payment.

MINIMUM CHARGE: $1.50 per month, less 3% discount for prompt payment.

LAMP SUPPLY: See Lamp Supply, Schedule Designation B-5.5 (2).

CONTRACT TERM: Open order, terminable on three days written notice by either party. Where special services are required, the term will be as specified in the applicable contract rider.

WATER HEATING SERVICE: Water heating service is available on an optional basis. See Schedule Designation No. D5.

Issued: *April 3, 1972*
By R. W. Hartwell,
Executive Vice President for Finance
2000 Second Ave., Detroit, Michigan 48226

Effective on service rendered on and after *March 31, 1972*, under authority of Order of the Michigan Public Service Commission dated *March 30, 1972*, in Case *U-3910*.

Exhibit "1"

M.P.S.C. No. 6 — *First Revised* Sheet No. B5

RULES AND REGULATIONS—Continued

B-5.1 **SERVICE CONNECTIONS**—All wiring upon the customer's premises shall be brought by the customer to any suitable point of service specified by the Company. Only one service connection is installed to a building or group of buildings including adjacent service areas under a single ownership except where separate service is required for disturbing use of service or where in the judgment of the Company additional services are necessary or desirable for operating reasons or because of the requirements of public safety. Detailed specifications for service connections will be furnished upon request at any customer business office.

B-5.2 **CUSTOMER'S INSTALLATION**—All wiring on the customer's premises shall be installed and maintained in accordance with applicable laws and the rules of the governmental authority having jurisdiction, the National Electrical Code and the rules of the Company.

The customer shall provide, free of expense to the Company, a suitable place for the meter or meters and any other supply, protective or control equipment of the Company which may be required in the delivery of the service.

B-5.3 **COMPANY EQUIPMENT ON CUSTOMER'S PROPERTY**—The Company will keep in repair and maintain its own property installed on the premises of the customer. All equipment supplied by the Company shall remain its exclusive property, and the Company shall have the right to remove the same from the premises of the customer at any time after the termination of service from whatsoever cause.

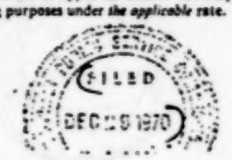
The customer shall be responsible for the safekeeping of the Company's property and shall not permit any person except an authorized Company representative to break any seals upon, or do any work on, any meter or other apparatus of the Company located on the customer's premises.

B-5.4 **ACCESS TO PREMISES**—As a condition of taking service, authorized employes and agents of the Company shall have access to the customer's premises at all reasonable hours to install, inspect, read, repair or remove its meters, and to install, operate and maintain other Company property, and to inspect and determine the connected electrical load. Authorized employes and agents shall carry identification furnished by the Company and shall display it upon request.

B-5.5 **LAMP SUPPLY:** Incandescent lamps will be furnished without extra charge:

(1) To residences connected for the first time to the Company's lines, in such quantities as may be needed for all permanent fixtures.

(2) As replacements of approved burned out lamps in proportion to the use of energy for lighting purposes under *the applicable* rate.



Issued: *December 23, 1970*
By R. W. Hartwell, Executive Vice President
for Finance and Controller
2000 Second Ave., Detroit, Michigan 48226

Effective on service rendered on and after *January 4, 1971*, under authority of Order of the Michigan Public Service Commission dated *December 21, 1970*, in Case *U-3697*.

BEST COPY AVAILABLE

Exhibit "1"

M.P.S.C. No. 6 — *First Revised* Sheet No. D1

DOMESTIC SERVICE RATE

AVAILABILITY OF SERVICE: Available to customers desiring service for all domestic purposes through one meter to a single occupancy or individual dwelling unit including farm dwellings. Service to appurtenant buildings may be taken on the same meter.

HOURS OF SERVICE: 24 hours.

CURRENT, PHASE AND VOLTAGE: Alternating current, single phase, nominally at 120/240 volts, three-wire.

Except that, in certain city districts, alternating current is supplied from a Y connected secondary network from which 120/208 volt three-wire service may be taken.

RATE PER MONTH:

Energy Charge:

$1.50 which shall include 15 kilowatthours *or less,*
3.50¢ per kilowatthour for the next 85 kilowatthours,
2.80¢ per kilowatthour for the next *100* kilowatthours,
2.10¢ per kilowatthour for the next *300* kilowatthours, and
1.90¢ per kilowatthour for the excess.

DISCOUNT: 3% for prompt payment.

MINIMUM CHARGE: $1.50 per month less 3% for prompt payment.

LAMP SUPPLY: *See Lamp Supply, Schedule Designation B-3.5.*

CONTRACT TERM: Open order, terminable on three days written notice by either party. Where special services are required, the term will be as specified in the applicable contract rider.

WATER HEATING SERVICE: Water heating service is available on an optional basis. See Schedule Designation No. D5.

MICHIGAN PUBLIC SERVICE COMMISSION FILED DEC 29 1970

Issued: December 23, 1970
By R. W. Hartwell, Executive Vice President
for Finance and Controller
2000 Second Ave., Detroit, Michigan 48226

Effective on service rendered on and after *January 4, 1971*, under authority of Order of the Michigan Public Service Commission dated *December 21, 1970*, in Case U-3697.

Exhibit "1"

M.P.S.C. No. 6 — *First Revised* Sheet No. D2

ALL-ELECTRIC DOMESTIC SERVICE RATE

AVAILABILITY OF SERVICE: Available on an optional basis to customers desiring service for all domestic purposes through one meter to a single occupancy or dwelling unit including farm dwellings in which the space heating and water heating are supplied by electric service installed on a permanent basis.

HOURS OF SERVICE: 24 hours.

CURRENT, PHASE AND VOLTAGE: Alternating current, single phase, nominally at 120/240 volts, three-wire.

Except that, in certain city districts, alternating current is supplied from a Y connected secondary network from which 120/208 volt three-wire service may be taken.

RATE PER MONTH:

Energy Charge:

$1.50 which shall include 15 kilowatthours or less,
3.50¢ per kilowatthour for the next 85 kilowatthours,
2.80¢ per kilowatthour for the next 100 kilowatthours,
2.10¢ per kilowatthour for the next 300 kilowatthours,
1.90¢ per kilowatthour for the next 300 kilowatthours, and
1.50¢ per kilowatthour for the excess.

DISCOUNT: 3% for prompt payment.

MINIMUM CHARGE: $1.50 per month less 3% for prompt payment.

LAMP SUPPLY: *See Lamp Supply, Schedule Designation B-3.5.*

CONTRACT TERM: Open order, terminable on three days written notice by either party. Where special services are required, the term will be as specified in the applicable contract rider.

WATER HEATING SERVICE: Water heating service is available on an optional basis. See Schedule Designation No. D5.

MICHIGAN PUBLIC SERVICE COMMISSION FILED DEC 29 1970

Issued: December 23, 1970
By R. W. Hartwell, Executive Vice President
for Finance and Controller
2000 Second Ave., Detroit, Michigan 48226

Effective on service rendered on and after *January 4, 1971*, under authority of Order of the Michigan Public Service Commission dated *December 21, 1970*, in Case U-3697.

Exhibit "1"

M.P.S.C. No. 6 — *First Revised* Sheet No. D3

GENERAL SERVICE RATE

AVAILABILITY OF SERVICE: Available to customers desiring service for any purpose, except that this rate is not available for service in conjunction with the Large General Service Rate. Standby service not available under this rate.

HOURS OF SERVICE: 24 hours.

CURRENT, PHASE AND VOLTAGE: Alternating current, single phase, nominally at 120/240 volts, three-wire; or three phase four-wire, delta connected at 120/240 volts; or under certain conditions three phase four-wire, Y connected at 277/480 volts.

Except that, in certain city districts, alternating current is supplied from a Y connected secondary network from which 120/208 volt, three-wire or 120/208 volt, three phase four-wire service may be taken.

RATE PER MONTH:

Energy Charge:

$1.50 which shall include 15 kilowatthours, *or less,*
4.50¢ per kilowatthour for the next 85 kilowatthours,
3.50¢ per kilowatthour for the next 900 kilowatthours,
2.50¢ per kilowatthour plus fuel adjustment for the next 9,000 kilowatthours, and
2.00¢ per kilowatthour plus fuel adjustment for the excess.

FUEL ADJUSTMENT: See Fuel Adjustment Clause, Schedule Designation B-4.6.

DISCOUNT: 3% for prompt payment.

MINIMUM CHARGE: $1.50 per month, less 3% discount for prompt payment.

LAMP SUPPLY: *See Lamp Supply, Schedule Designation B-5.3(2).*

CONTRACT TERM: Open order, terminable on three days written notice by either party. Where special services are required, the term will be as specified in the applicable contract rider.

WATER HEATING SERVICE: Water heating service is available on an optional basis. See Schedule Designation No. D5.

Issued: *December 23, 1970*
By R. W. Hunnell, Executive Vice President
for Finance and Controller
2000 Second Ave., Detroit, Michigan 48226

Effective on service rendered on and after *January 4, 1971,* under authority of Order of the Michigan Public Service Commission dated *December 31, 1970,* in Case U-3697.

Exhibit "1"

M.P.S.C. No. 6 — *First Revised* Sheet No. D3

GENERAL SERVICE RATE

AVAILABILITY OF SERVICE: Available to customers desiring service for any purpose, except that this rate is not available for service in conjunction with the Large General Service Rate. Standby service not available under this rate.

HOURS OF SERVICE: 24 hours.

CURRENT, PHASE AND VOLTAGE: Alternating current, single phase, nominally at 120/240 volts, three-wire; or three phase four-wire, delta connected at 120/240 volts; or under certain conditions three phase four-wire, Y connected at 277/480 volts.

Except that, in certain city districts, alternating current is supplied from a Y connected secondary network from which 120/208 volt, three-wire or 120/208 volt, three phase four-wire service may be taken.

RATE PER MONTH:

Energy Charge:

$1.50 which shall include 15 kilowatthours, *or less,*
4.50¢ per kilowatthour for the next 85 kilowatthours,
3.50¢ per kilowatthour for the next 900 kilowatthours,
2.50¢ per kilowatthour plus fuel adjustment for the next 9,000 kilowatthours, and
2.00¢ per kilowatthour plus fuel adjustment for the excess.

FUEL ADJUSTMENT: See Fuel Adjustment Clause, Schedule Designation B-4.6.

DISCOUNT: 3% for prompt payment.

MINIMUM CHARGE: $1.50 per month, less 3% discount for prompt payment

LAMP SUPPLY: *See Lamp Supply, Schedule Designation B-5.3(2).*

CONTRACT TERM: Open order, terminable on three days written notice by either party. Where special services are required, the term will be as specified in the applicable contract rider.

WATER HEATING SERVICE: Water heating service is available on an optional basis. See Schedule Designation No. D5.

Issued: *December 23, 1970*
By R. W. Hunnell, Executive Vice President
for Finance and Controller
2000 Second Ave., Detroit, Michigan 48226

Effective on service rendered on and after *January 4, 1971,* under authority of Order of the Michigan Public Service Commission dated *December 31, 1970,* in Case U-3697.

Exhibit "1"

M.P.S.C. No. 5

Second Revised Sheet No. D1
(Revision in Rates)

DOMESTIC SERVICE RATE

AVAILABILITY OF SERVICE: Available to customers desiring service for all domestic purposes through one meter to a single occupancy or individual dwelling unit including farm dwellings. Service to appurtenant buildings may be taken on the same meter.

HOURS OF SERVICE: 24 hours.

CURRENT, PHASE AND VOLTAGE: Alternating current, single phase, nominally at 120/240 volts, three-wire.

Except that, in certain city districts, alternating current is supplied from a Y connected secondary network from which 120/208 volt three-wire service may be taken.

RATE PER MONTH:

Energy Charge:

5.85¢ per kilowatthour for the first 15 kilowatthours,
3.50¢ per kilowatthour for the next 85 kilowatthours,
2.75¢ per kilowatthour for the next 150 kilowatthours,
2.25¢ per kilowatthour for the next 150 kilowatthours,
2.00¢ per kilowatthour for the next 150 kilowatthours, *and*
1.50¢ per kilowatthour for the excess.

MICHIGAN PUBLIC SERVICE COMMISSION FILED JUN 7 1967

***Controlled** Water Heating Service:*

Controlled service to the lower element of electric water heaters, the design and method of installation of which are approved by the Company as adapted to such servi , is controlled by timer or monitoring device to not less than 20 hours per day, said hours to be established from time to time by the Company. A rate of 0.8¢ (gross) per kilowatthour shall apply to the number of kilowatthours listed below, but not to the first 100 kilowatthours per month:

50 gallon tank	*500 kilowatthours*
80 gallon tank	*700 kilowatthours*
110 gallon tank	*900 kilowatthours*

DISCOUNT: 3% for prompt payment.

MINIMUM CHARGE: *$1.50 per month less 3% for prompt payment.*

LAMP SUPPLY: Incandescent lamps will be furnished without extra charge:

(1) To residences connected for the first time to the Company's lines, in such quantities as may be needed for all permanent fixtures.
(2) As replacements of approved burned out lamps in proportion to the use of energy for lighting purposes under this rate.

CONTRACT TERM: Open order, terminable on three days written notice by either party.

Issued: June 1, 1967
By E. H. Scott, Senior Vice-President & Controller
2000 Second Ave., Detroit, Michigan 48226

Effective on bills rendered pursuant to meter readings on and after May 31, 1967, under authority of Order of the Michigan Public Service Commission dated May 4, 1967, in Case U-2731.

Exhibit "1"

M.P.S.C. No. 5

First Revised Sheet No. D1.1
(Withdrawn for New Business)

DOMESTIC SERVICE RATE

AVAILABILITY OF SERVICE: Available to customers desiring service for all domestic purposes through one meter to a single occupancy or individual dwelling unit including farm dwellings. Service to appurtenant buildings may be taken on the same meter. *This rate is withdrawn for new business on and after May 31, 1967.*

HOURS OF SERVICE: 24 hours.

CURRENT, PHASE AND VOLTAGE: Alternating current, single phase, nominally at 120/240 volts, three-wire.

Except that, in certain city districts, alternating current is supplied from a Y connected secondary network from which 120/208 volt three-wire service may be taken.

RATE PER MONTH:

Energy Charge:

5.85¢ per kilowatthour for the first 15 kilowatthours,
3.50¢ per kilowatthour for the next 85 kilowatthours,
2.75¢ per kilowatthour for the next 150 kilowatthours,
2.25¢ per kilowatthour for the next 150 kilowatthours,
2.00¢ per kilowatthour for the next 150 kilowatthours, *and*
1.50¢ per kilowatthours for the excess.

MICHIGAN PUBLIC SERVICE COMMISSION FILED JUN 13 1967

DISCOUNT: 3% for prompt payment.

MINIMUM CHARGE: 75¢ per month less 3% for prompt payment.

LAMP SUPPLY: Incandescent lamps will be furnished without extra charge:

(1) To residences connected for the first time to the Company's lines, in such quantities as may be needed for all permanent fixtures.
(2) As replacements of approved burned out lamps in proportion to the use of energy for lighting purposes under this rate.

CONTRACT TERM: Open order, terminable on three days written notice by either party.

Issued: June 1, 1967
By E. H. Scott, Senior Vice-President & Controller
2000 Second Ave., Detroit, Michigan 48226

Effective on bills rendered pursuant to meter readings on and after May 31, 1967, under authority of Order of the Michigan Public Service Commission dated May 4, 1967, in Case U-2731.

Exhibit "1"

M.P.S.C. No. 5

First Revised Sheet No. D2
(Revision in Rates)

ALL-ELECTRIC DOMESTIC SERVICE RATE

AVAILABILITY OF SERVICE: Available on an optional basis to customers desiring service for all domestic purposes through one meter to a single occupancy or dwelling unit including farm dwellings in which the space heating and water heating are supplied by electric service installed on a permanent basis.

HOURS OF SERVICE: 24 hours.

CURRENT, PHASE AND VOLTAGE: Alternating current, single phase, nominally at 120/240 volts, three-wire.

Except that, in certain city districts, alternating current is supplied from a Y connected secondary network from which 120/208 volt three-wire service may be taken.

RATE PER MONTH:

Energy Charge:

$1.50 which shall include 15 kilowatthours or less,
3.5¢ per kilowatthour for the next 85 kilowatthours,
2.5¢ per kilowatthour for the next 100 kilowatthours,
2.0¢ per kilowatthour for the next 300 kilowatthours,
1.5¢ per kilowatthour for the next 300 kilowatthours, and
1.35¢ per kilowatthour for the excess.

MICHIGAN PUBLIC SERVICE COMMISSION FILED JUN 7 1967

Controlled Water Heating Service:

Controlled service to the lower element of electric water heaters, the design and method of installation of which are approved by the Company as adapted to such service, is controlled by timer or monitoring device to not less than 20 hours per day, said hours to be established from time to time by the Company. A rate of 0.8¢ (gross) per kilowatthour shall apply to the number of kilowatthours listed below, but not to the first 100 kilowatthours per month:

50 gallon tank	*500 kilowatthours*
80 gallon tank	*700 kilowatthours*
110 gallon tank	*900 kilowatthours*

DISCOUNT: 3% for prompt payment.

MINIMUM CHARGE: $1.50 per month less 3% for prompt payment.

LAMP SUPPLY: Incandescent lamps will be furnished without extra charge:

(I) To residences connected for the first time to the Company's lines, in such quantities as may be needed for all permanent fixtures.

(II) As replacements of approved burned out lamps in proportion to the use of energy for lighting purposes under this rate.

CONTRACT TERM: Open order, terminable on three days written notice by either party.

Issued: June 1, 1967
By E. H. Scott, Senior Vice-President & Controller
2000 Second Ave., Detroit, Michigan 48226

Effective on bills rendered pursuant to meter readings on and after May 31, 1967, under authority of Order of the Michigan Public Service Commission dated May 4, 1967, in Case U-2731.

Exhibit "1"

M.P.S.C. No. 5

First Revised Sheet No. D3
(Revision in Rates)

GENERAL SERVICE RATE

AVAILABILITY OF SERVICE: Available to customers desiring service for any purpose, except that this rate is not available for service in conjunction with the Large General Service Rate. No standby service.

HOURS OF SERVICE: 24 hours.

CURRENT, PHASE AND VOLTAGE: Alternating current, single phase, nominally at 120/240 volts, three-wire; or three phase four-wire, delta connected at 120/240 volts; or under certain conditions three phase four-wire, Y connected at 277/480 volts.

Except that, in certain city districts, alternating current is supplied from a Y connected secondary network from which 120/208 volt, three-wire or 120/208 volt, three phase four-wire service may be taken.

RATE PER MONTH:

An energy charge per kilowatthour of

5.25¢ for the first 15 kilowatthours,
4.50¢ for the next 85 kilowatthours,
3.50¢ for the next 900 kilowatthours,
2.50¢ plus fuel adjustment for the next 9000 kilowatthours, and
2.00¢ plus fuel adjustment for the excess.

MICHIGAN PUBLIC SERVICE COMMISSION FILED MAY 31 1967

The fuel adjustment shall consist of an additional .0012¢ per kilowatthour consumed for each full .1¢ increase in the cost of fuel above 28.0¢ per million Btu or a reduction of .0012¢ per kilowatthour consumed for each full .1¢ in the cost of fuel below 27.0¢ per million Btu. The price per million Btu during any month shall be the average cost to the Company of 1,000,000 Btu of fuel burned during the preceding month, figured to the nearest one-thousandth of a cent. The cost of fuel shall include the cost of transportation to the Company's generating plants for such fuel, plus any excise or taxes placed upon the purchase or transportation of fuel. Cost of unloading, reloading and storage, switching within or between plants, demurrage and overhead charges, are expressly excluded from this calculation.

Controlled Water Heating Service:

Controlled service to the lower element of electric water heaters, the design and method of installation of which are approved by the Company as adapted to such service, is controlled by timer or monitoring device to not less than 20 hours per day, said hours to be established from time to time by the Company. A rate of 0.8¢ (gross) per kilowatthour shall apply to the number of kilowatthours listed below, but not to the first 100 kilowatthours per month:

50 gallon tank	*500 kilowatthours*
80 gallon tank	*700 kilowatthours*
110 gallon tank	*900 kilowatthours*

(Continued on next sheet)

Issued: June 1, 1967
By E. H. Scott, Senior Vice-President & Controller
2000 Second Ave., Detroit, Michigan 48226

Effective on bills rendered pursuant to meter readings on and after May 31, 1967, under authority of order of the Michigan Public Service Commission dated May 4, 1967, in Case U-2731.

M.P.S.C. No. 3

First Revised Sheet No. D2a
(Revision in Units)

GENERAL SERVICE RATE—Continued

DISCOUNT: 3% for prompt payment.

MINIMUM CHARGE: *$1.50 per month, less 3% discount for prompt payment.*

LAMP SUPPLY: Replacements of approved burned out incandescent lamps will be furnished without extra charge in proportion to the use of energy for lighting purposes under this rate.

CONTRACT TERM: Open order, terminable on three days written notice by either party. Where special services are required, the term will be as specified in the applicable contract rider.

FILED
MAY 31 1967

Issued: June 1, 1967
By E. H. Scott, Senior Vice-President & Controller
2000 Second Ave., Detroit, Michigan 48226

Effective on bills rendered pursuant to meter readings on and after May 31, 1967, under authority of Order of the Michigan Public Service Commission dated May 4, 1967, in Case U-2731.

M.P.S.C. No. 3

First Revised Sheet No. D1

DOMESTIC SERVICE RATE

AVAILABILITY OF SERVICE: Available to customers desiring service for all domestic purposes through one meter to a single occupancy or individual dwelling unit including farm dwellings. Service to appurtenant buildings may be taken on the same meter.

HOURS OF SERVICE: 24 hour.

CURRENT, PHASE AND VOLTAGE: Alternating current, single phase, nominally at 120/240 volts, three-wire.

Except that, in certain city districts, alternating current is supplied from a Y connected secondary network from which 120/208 volt three-wire service may be taken.

RATE PER MONTH:

Energy Charge:

5.85¢ per kilowatthour for the first 15 kilowatthours,
3.50¢ per kilowatthour for the next 85 kilowatthours,
2.75¢ per kilowatthour for the next 150 kilowatthours,
2.25¢ per kilowatthour for the next 150 kilowatthours,
2.00¢ per kilowatthour for the next 150 kilowatthours,
1.60¢ per kilowatthour for the next 200 kilowatthours, and
1.50¢ per kilowatthours for the excess.

Controlled Water Heating Service:

Controlled service to the lower element of electric water heaters, the design and method of installation of which are approved by the Company as adapted to such service, is controlled by a clock or other timing device to 20 hours per day, said hours to be established from time to time by the Company. A rate of 1.0¢ (gross) per kilowatthour shall apply to the number of kilowatthours listed below, but not to the first 100 kilowatthours per month:

50 gallon tank	400 kilowatthours
80 gallon tank	550 kilowatthours
110 gallon tank	700 kilowatthours

See Schedule Designation D2 for optional Water Heating Rate.

DISCOUNT: 3% for prompt payment.

MINIMUM CHARGE: 75¢ per month less 3% for prompt payment.

LAMP SUPPLY: Incandescent lamps will be furnished without extra charge:

(1) To residences connected for the first time to the Company's lines, in such quantities as may be needed for all permanent fixtures.
(2) As replacements of approved burned out lamps in proportion to the use of energy for lighting purposes under this rate.

CONTRACT TERM: Open order, terminable on three days written notice by either party.

FILED
DEC 1 1965

Issued: December 1, 1965
By E. H. Scott, Senior Vice-President & Controller
2000 Second Ave., Detroit, Michigan 48226

Effective on service rendered on and after December 1, 1965, under authority of Order of the Michigan Public Service Commission dated November 4, 1965, in Case U-2139.

M.P.S.C. No. 5 — Original Sheet No. D1

DOMESTIC SERVICE RATE

AVAILABILITY OF SERVICE: Available to customers desiring service for all domestic purposes through one meter to a single occupancy or individual dwelling unit including farm dwellings. Service to appurtenant buildings may be taken on the same meter.

HOURS OF SERVICE: 24 hour.

CURRENT, PHASE AND VOLTAGE: Alternating current, single phase, nominally at 120/240 volts, three-wire.

Except that, in certain city districts, alternating current is supplied from a Y connected secondary network from which 120/208 volt three-wire service may be taken.

RATE PER MONTH:

Energy Charge:

5.85¢ per kilowatthour for the first 15 kilowatthours,
3.50¢ per kilowatthour for the next 85 kilowatthours,
2.75¢ per kilowatthour for the next 150 kilowatthours,
2.25¢ per kilowatthour for the next 250 kilowatthours, and
1.60¢ per kilowatthour for the excess.

Controlled Water Heating Service:

Controlled service to the lower element of electric water heaters, the design and method of installation of which are approved by the Company as adapted to such service, is controlled by a clock or other timing device to 20 hours per day, said hours to be established from time to time by the Company. A rate of 1.0¢ (gross) per kilowatthour shall apply to the number of kilowatthours listed below, but not to the first 100 kilowatthours per month:

50 gallon tank	400 kilowatthours
80 gallon tank	550 kilowatthours
110 gallon tank	700 kilowatthours

See Schedule Designation D2 for optional Water Heating Rate.

DISCOUNT: 5% for prompt payment.

MINIMUM CHARGE: 75¢ per month less 5% for prompt payment.

LAMP SUPPLY: Incandescent lamps will be furnished without extra charge:

(1) To residences connected for the first time to the Company's lines, in such quantities as may be needed for all permanent fixtures.
(2) As replacements of approved burned out lamps in proportion to the use of energy for lighting purposes under this rate.

CONTRACT TERM: Open order, terminable on three days written notice by either party.

Issued: December 1, 1961
By E. H. Scull, Vice-President & Controller
2000 Second Ave., Detroit, Michigan 48226

Effective on service rendered on and after December 1, 1961, under authority of Order of the Michigan Public Service Commission dated November 12, 1961 in Case U-4790.

M.P.S.C. No. 5 — Original Sheet No. D1.1

ALL-ELECTRIC DOMESTIC SERVICE RATE

AVAILABILITY OF SERVICE: Available on an optional basis to customers desiring service for all domestic purposes through one meter to a single occupancy or dwelling unit including farm dwellings in which the space heating and water heating are supplied by electric service installed on a permanent basis.

HOURS OF SERVICE: 24 hours.

CURRENT, PHASE AND VOLTAGE: Alternating current, single phase, nominally at 120/240 volts, three-wire.

Except that, in certain city districts, alternating current is supplied from a Y connected secondary network from which 120/208 volt three-wire service may be taken.

RATE PER MONTH:

Energy Charge:

$1.50 which shall include 15 kilowatthours or less,
3.5¢ per kilowatthour for the next 85 kilowatthours,
2.5¢ per kilowatthour for the next 100 kilowatthours,
2.0¢ per kilowatthour for the next 300 kilowatthours, and
1.5¢ per kilowatthour for the excess.

Controlled Water Heating Service:

Controlled service to the lower element of electric water heaters, the design and method of installation of which are approved by the Company as adapted to such service, is controlled by a clock or other timing device to 20 hours per day, said hours to be established from time to time by the Company. A rate of 1.0¢ (gross) per kilowatthour shall apply to the number of kilowatthours listed below, but not to the first 100 kilowatthours per month:

50 gallon tank	400 kilowatthours
80 gallon tank	550 kilowatthours
110 gallon tank	700 kilowatthours

See Schedule Designation D2 for optional Water Heating Rate.

DISCOUNT: 5% for prompt payment.

MINIMUM CHARGE: $1.50 per month less 5% for prompt payment.

LAMP SUPPLY: Incandescent lamps will be furnished without extra charge:

(1) To residences connected for the first time to the Company's lines, in such quantities as may be needed for all permanent fixtures.
(2) As replacements of approved burned out lamps in proportion to the use of energy for lighting purposes under this rate.

CONTRACT TERM: Open order, terminable on three days written notice by either party.

Issued: December 1, 1961
By E. H. Scull, Vice-President & Controller
2000 Second Ave., Detroit, Michigan 48226

Effective on service rendered on and after December 1, 1961, under authority of Order of the Michigan Public Service Commission dated November 12, 1961 in Case U-4790.

M.P.S.C. No. 5 — Original Sheet No. D3

GENERAL SERVICE RATE

AVAILABILITY OF SERVICE: Available to customers desiring service for any purpose, except that this rate is not available for service in conjunction with the Large General Service Rate. No standby service.

HOURS OF SERVICE: 24 hour.

CURRENT, PHASE AND VOLTAGE: Alternating current, single phase, nominally at 120/240 volts, three-wire; or three phase four-wire, delta connected at 120/240 volts; or under certain conditions three phase four-wire, Y connected at 277/480 volts.

Except that, in certain city districts, alternating current is supplied from a Y connected secondary network from which 120/208 volt, three-wire or 120/208 volt, three phase four-wire service may be taken.

RATE PER MONTH:

An energy charge per kilowatthour of

5.15¢ for the first 100 kilowatthours,
4.15¢ for the next 300 kilowatthours,
2.65¢ plus fuel adjustment for the next 4100 kilowatthours,
2.30¢ plus fuel adjustment for the next 5000 kilowatthours, and
2.06¢ plus fuel adjustment for the excess.

The fuel adjustment shall consist of an additional .0032¢ per kilowatthour consumed for each full .1¢ increase in the cost of fuel above 28.8¢ per million Btu or a reduction of .0032¢ per kilowatthour consumed for each full .1¢ in the cost of fuel below 27.8¢ per million Btu. The price per million Btu during any month shall be the average cost to the Company of 1,000,000 Btu of fuel burned during the preceding month, figured to the nearest one-thousandth of a cent. The cost of fuel shall include the cost of transportation to the Company's generating plants for such fuel, plus any excise or taxes placed upon the purchase or transportation of fuel. Cost of unloading, reloading and storage, switching within or between plants, demurrage and overland charges, are expressly excluded from this calculation.

DISCOUNT: 3% for prompt payment.

MINIMUM CHARGE: $1.00 per month, less 3% discount for prompt payment.

LAMP SUPPLY: Replacements of approved burned out incandescent lamps will be furnished without extra charge in proportion to the use of energy for lighting purposes under this rate.

CONTRACT TERM: Open order, terminable on three days written notice by either party. Where special services are required, the term will be as specified in the applicable contract rider.

Issued: December 1, 1961
By E. H. Swift, Vice-President & Controller
2000 Second Ave., Detroit, Michigan 48226

Effective on meter readings on and after December 1, 1961, under authority of Order of the Michigan Public Service Commission dated November 27, 1961, in Case U-4296.

include with page

M.P.S.C. No. 4 — Original Sheet No. D1. 1

ALL-ELECTRIC DOMESTIC SERVICE RATE

AVAILABILITY OF SERVICE: Available on an optional basis to customers desiring service for all domestic purposes through one meter to a single occupancy in which the space heating and water heating are supplied by electric service installed on a permanent basis.

HOURS OF SERVICE: 24 hours.

CURRENT, PHASE AND VOLTAGE: Alternating current, single phase, nominally at 120-240 volts, three wire.

MICHIGAN PUBLIC SERVICE COMMISSION FILED OCT 17 1963

RATE PER MONTH:

Energy Charge:

$1.50 per month which shall include 15 kilowatthours or less,
3.5¢ per kilowatthour for the next 85 kilowatthours,
2.5¢ per kilowatthour for the next 100 kilowatthours,
2.0¢ per kilowatthour for the next 300 kilowatthours, and
1.4¢ per kilowatthour for the excess.

Controlled Water Heating Service:

Controlled service to the lower element of electric water heaters, the design and method of installation of which are approved by the Company as adapted to such service, is limited by a clock or other timing device to 20 hours per day, said hours to be established from time to time by the Company. A rate of 1.0¢ (gross) per kilowatthour shall apply to the number of kilowatthours listed below, but not to the first 100 kilowatthours per month:

50 gallon tank	400 kilowatthours
80 gallon tank	550 kilowatthours
110 gallon tank	700 kilowatthours

DISCOUNT: 3% for prompt payment.

MINIMUM CHARGE: $1.50 per month less 3% for prompt payment.

LAMP SUPPLY: Incandescent lamps will be furnished without extra charge:

(1) To residence connected for the first time to the Company's lines, in such quantities as may be needed, but not to exceed 40 lamps to any one residence.
(2) As replacements of approved burned out lamps in proportion to the use of energy for lighting purposes under this rate.

CONTRACT TERM: This is an open order agreement, terminable on three days written notice by either party.

SEE ALSO THE FOLLOWING RULES:

Rule No. 1—Choice of Rates
Rule No. 5—Line Extensions and Service Connections.

Issued: October 3, 1963
By Walter L. Cisler, President
2000 Second Ave., Detroit 26, Michigan

Effective October 3, 1963, under authority of Order of the Michigan Public Service Commission dated October 3, 1963, in Case U-3418.

M.P.S.C. No. 4

Seventh Revised Sheet No. D1
Cancels Sixth Revised Sheet No. D1
(Adding New Excess Step)

RESIDENCE RATE

WHO MAY TAKE THE SERVICE: Persons desiring service to residences whether located in urban communities or on farms. Service to buildings appurtenant to the residence may be taken through the residence meter. Appurtenant buildings may include a garage for the use of the residents, and barns, poultry houses and other minor farm buildings.

This rate is not offered for industrial or commercial uses. Specifically it is not offered to rooming houses; nor to groups of cabins to be rented to tourists; nor to apartment buildings; nor to single apartments so small as to lack housekeeping facilities; nor to those greenhouses, hatcheries, dairies or other enterprises which do a commercial business.

HOURS OF SERVICE: 24 hour.

CURRENT, PHASE AND VOLTAGE: Alternating current, single phase, nominally at 120 volts, two-wire, or 120-240 volts, three-wire; or three phase four-wire, delta connected at 120-240 volts.

Except that, in certain city districts, alternating current is supplied from a Y connected secondary network from which 120 volt two-wire, 120-208 volt three-wire, or 120-208 volt three phase four-wire service may be taken; or direct current service (of limited availability) is supplied at 120 volts, two-wire or 120-240 volts, three-wire.

MICHIGAN PUBLIC SERVICE COMMISSION FILED JUN 3 1959

RATE PER RESIDENCE PER MONTH:

6¢ per kilowatthour for the first 15 kilowatthours,
4.50¢ per kilowatthour for the next 35 kilowatthours,
2.75¢ per kilowatthour for the next 200 kilowatthours,
2.25¢ per kilowatthour for the next 500 kilowatthours, and
2.00¢ per kilowatthour for the excess.

Bills are rendered monthly or bi-monthly, as the Company's rule in force at the time and place of the service may provide. When bills are rendered bi-monthly, the number of kilowatthours chargeable at 6¢, 4.50¢, 2.75¢ and 2.25¢ are twice the stated monthly quota.

DISCOUNT: 5% for prompt payment.

MINIMUM CHARGE: For single phase alternating current and for direct current service: 75¢ per month, less 5% for prompt payment. For three phase service: $10.00 per month, less 5% for prompt payment.

LAMP SUPPLY: Incandescent lamps will be furnished without extra charge:

(1) To residence connected for the first time to the Company's lines, in such quantities as may be needed, but not to exceed 40 lamps to any one residence.

(2) As replacements of approved burned out lamps in proportion to the use of energy for lighting purposes under this rate.

CONTRACT TERM: This is an open order agreement, terminable on three days written notice by either party.

SEE ALSO THE FOLLOWING RULES:

Rule No. 1—Choice of Rates
Rule No. 5—Line Extensions and Service Connections.

Issued: June 1, 1939
By Walter L. Cisler, President
2000 Second Ave., Detroit 26, Michigan

Effective on bills rendered on and after June 1, 1959, under authority of Order D-1723-59.1 of the Michigan Public Service Commission, dated May 28, 1959.

M.P.S.C. No. 4

MICHIGAN PUBLIC SERVICE COMMISSION FILED MAY 21 1951

Sixth Revised Sheet No. D2
Cancels Fifth Revised Sheet No. D2
(Revising of Fuel Component from 1.25 Pounds of Coal to 15,500 Btu of Fuel)

GENERAL COMMERCIAL RATE
(SECONDARY NETWORK FORM)

WHO MAY TAKE THE SERVICE: Persons desiring service for any commercial or industrial purpose, except that this rate cannot be taken in conjunction with the Commercial Demand Rate.

HOURS OF SERVICE: 24 hour.

CURRENT, PHASE AND VOLTAGE: Alternating current, single phase, nominally at 115 volts, two-wire, or 115-230 volts, three-wire; or three phase four-wire, delta connected at 115-230 volts.

Except that, in certain city districts, alternating current is supplied from a Y connected secondary network from which 120 volt two-wire, 120-208 volt three-wire or 120-208 volt three phase four-wire service may be taken; or direct current service (of limited availability) is supplied at 120 volts, two-wire or 120-240 volts, three-wire.

RATE PER MONTH:

5.25¢ per kilowatthour for the first 100 kilowatthours,
4.25¢ per kilowatthour for the next 500 kilowatthours,
2.75¢ per kilowatthour for the next 6100 kilowatthours, and
1.70¢ plus the cost of 15,500 Btu of fuel per kilowatthour for the excess.

The fuel component of the energy charge per kilowatthour for service rendered during any month shall be the average cost to the Edison Company of 15,500 Btu of fuel burned during the preceding month, figured to the nearest one-thousandth of a cent. The cost of fuel shall include the cost of transportation to the Edison Company's generating plants for such fuel, plus any excise or taxes placed upon the purchase or transportation of fuel. Costs of unloading, reloading and storage, switching within or between plants, demurrage and overhead charges, are expressly excluded from this calculation.

DISCOUNT: 5% for prompt payment.

MINIMUM CHARGE: $1.00 per month, less 5% discount for prompt payment. See Special Minimum Charge, Sheet No. D6.

LAMP SUPPLY: Replacements of approved burned out incandescent lamps will be furnished, without extra charge, in proportion to the use of energy for lighting purposes under this rate. Where the customer elects to furnish his own lamp replacements each step of the gross energy charge shall be reduced 4/100 cents per kilowatthour.

CONTRACT TERM: This is an open order agreement, terminable on three days written notice by either party.

SEE ALSO THE FOLLOWING RULES:

Rule No. 1—Choice of Rates
Rule No. 5—Line Extensions and Service Connections

Issued: May 29, 1951
By J. W. Parker, President and General Manager
2000 Second Ave., Detroit 26, Michigan

Effective on service rendered on and after June 1, 1951, under authority of Order D-1723-59.2 of the Michigan Public Service Commission, dated May 8, 1951.

M.P.S.C. No. 4

Fifth Revised Sheet No. 238
Cancels Fourth Revised Sheet No. 238
(Including discount from 6% to 3% in energy charge per kwhr, and incorporating fuel clause)

COMMERCIAL DEMAND RATE

WHO MAY TAKE THE SERVICE: Persons desiring service for any commercial or industrial purpose, except that this rate cannot be taken in conjunction with the General Commercial Rate.

HOURS OF SERVICE: 24 hour.

CURRENT, PHASE AND VOLTAGE: Alternating current, single phase, nominally at 115 volts, two-wire, or 115-230 volts, three-wire, or three phase four-wire, delta connected at 115-230 volts.

Except that, in certain city districts, alternating current is supplied from a Y connected secondary network from which 120 volt two-wire, 120-208 volt three-wire, or 120-208 volt three phase four-wire service may be taken; or direct current service (of limited availability) is supplied at 120 volts, two-wire or 120-240 volts, three-wire.

RATE PER MONTH:

$1.50 per kilowatt of demand for the first 3 kilowatts,
$3.50 per kilowatt of demand for the next 197 kilowatts, and
$2.50 per kilowatt of demand for the excess,
Plus **1.8¢** per kilowatthour for the first 10,000 kilowatthours,
.7¢ plus cost of 1.25 cent per kilowatthour for the next 30,000 kilowatthours, and
.6¢ plus cost of 1.25¢ cent per kilowatthour for the excess.

The fuel component of the energy charge per kilowatthour for service rendered during any month shall be the average cost to the Edison Company for one and one quarter pounds of coal burned during the preceding month (or the equivalent in other fuels) figured to the nearest one-thousandth of a cent. The cost of fuel shall include the cost of transportation to the Edison Company's generating plants for such fuel, plus any excise or taxes placed upon the purchase or transportation of fuel. Costs of unloading, reloading and storage, switching within or between plants, demurrage and overhead charges, are expressly excluded from this calculation.

DISCOUNT: 3% for prompt payment.

MINIMUM CHARGE: The minimum demand charge shall be $2.25 per month, less 3% discount for prompt payment. There is no prescribed minimum energy (kwhr) charge. See Special Minimum Charges, Sheet No. 116.

LAMP SUPPLY: Replacements of approved burned out incandescent lamps will be furnished, without extra charge, in proportion to the use of energy for lighting purposes under this rate. Where the customer elects to furnish his own lamp replacements each step of the gross energy charge shall be reduced 6/100 cents per kilowatthour.

CONTRACT TERM: For Demands up to 100 Kilowatts: The agreements are upon order, terminable on three days written notice by either party.

For Demands in Excess of 100 Kilowatts: As to continuity of service and as to demand charge, but not as to kilowatthour rate; the term is two years, extending thereafter from month to month until terminated by mutual consent or on twelve months written notice by either party, which may be given at any time after the end of the first year.

SEE ALSO THE FOLLOWING RULES:

Rule No. 1—Choice of Rates
Rule No. 2—Demand Determination
Rule No. 4—Resale of Service
Rule No. 5—Line Extensions and Service Connections
Rule No. 6—Special Minimum Charges

Issued: January 24, 1949
By J. W. Parker, President and General Manager
2900 Second Ave., Detroit 26, Michigan

Effective on service rendered on and after January 24, 1949, under authority of Order D-1722 of the Michigan Public Service Commission, dated January 6, 1949.

M.P.S.C. No. 4

MICHIGAN PUBLIC SERVICE COMMISSION FILED MAY 21 1951

Sixth Revised Sheet No. 191
Cancels Fifth Revised Sheet No. 191
(Revision of Fuel Component from 25 Pounds of Coal to 13,500 Btu of Fuel)

COMMERCIAL DEMAND RATE

WHO MAY TAKE THE SERVICE: Persons desiring service for any commercial or industrial purpose, except that this rate cannot be taken in conjunction with the General Commercial Rate.

HOURS OF SERVICE: 24 hour.

CURRENT, PHASE AND VOLTAGE: Alternating current, single phase, nominally at 115 volts, two-wire, or 115-230 volts, three-wire, or three phase four-wire, delta connected at 115-230 volts.

Except that, in certain city districts, alternating current is supplied from a Y connected secondary network from which 120 volt two-wire, 120-208 volt three-wire, or 120-208 volt three phase four-wire service may be taken; or direct current service (of limited availability) is supplied at 120 volts, two-wire or 120-240 volts, three-wire.

RATE PER MONTH:

$1.50 per kilowatt of demand for the first 3 kilowatts,
$3.50 per kilowatt of demand for the next 197 kilowatts, and
$2.50 per kilowatt of demand for the excess,
Plus **1.8¢** per kilowatthour for the first 10,000 kilowatthours,
.7¢ plus the cost of 13,500 Btu of fuel per kilowatthour for the next 30,000 kilowatthours, and
.6¢ plus the cost of 13,500 Btu of fuel per kilowatthour for the excess.

The fuel component of the energy charge per kilowatthour for service rendered during any month shall be the average cost to the Edison Company of 13,500 Btu of fuel burned during the preceding month, figured to the nearest one-thousandth of a cent. The cost of fuel shall include the cost of transportation to the Edison Company's generating plants for such fuel, plus any excise or taxes placed upon the purchase or transportation of fuel. Costs of unloading, reloading and storage, switching within or between plants, demurrage and overhead charges, are expressly excluded from this calculation.

DISCOUNT: 3% for prompt payment.

MINIMUM CHARGE: The minimum demand charge shall be $2.25 per month, less 3% discount for prompt payment. There is no prescribed minimum energy (kwhr) charge. See Special Minimum Charges, Sheet No. 116.

LAMP SUPPLY: Replacements of approved burned out incandescent lamps will be furnished, without extra charge, in proportion to the use of energy for lighting purposes under this rate. Where the customer elects to furnish his own lamp replacements each step of the gross energy charge shall be reduced 6/100 cents per kilowatthour.

CONTRACT TERM: For Demands up to 100 Kilowatts: The agreements are upon order, terminable on three days written notice by either party.

For Demands in Excess of 100 Kilowatts: As to continuity of service and as to demand charge, but not as to kilowatthour rate; the term is two years, extending thereafter from month to month until terminated by mutual consent or on twelve months written notice by either party, which may be given at any time after the end of the first year.

SEE ALSO THE FOLLOWING RULES:

Rule No. 1—Choice of Rates
Rule No. 2—Demand Determination
Rule No. 4—Resale of Service
Rule No. 5—Line Extensions and Service Connections
Rule No. 6—Special Minimum Charges

Issued: May 29, 1950
By J. W. Parker, President and General Manager
2900 Second Ave., Detroit 26, Michigan

Effective on service rendered on and after June 1, 1951, under authority of Order D-1722-51 of the Michigan Public Service Commission, dated May 8, 1951.

BEST COPY AVAILABLE

Exhibit "1"

M.P.S.C. No. 4

Fifth Revised Sheet No. D1
Cancels Fourth Revised Sheet No. D1
(Discount Reduced from 10% to 4%)

RESIDENCE RATE

WHO MAY TAKE THE SERVICE: Persons desiring service to residences whether located in urban communities or on farms. Service to buildings appurtenant to the residence may be taken through the residence meter. Appurtenant buildings may include a garage for the use of the residents, and barns, poultry houses and other minor farm buildings.

This rate is not offered for industrial or commercial uses. Specifically it is not offered to rooming houses; nor to groups of cabins to be rented to tourists; nor to apartment buildings; nor to single apartments so small as to lack housekeeping facilities; nor to those greenhouses, hatcheries, dairies or other enterprises which do a commercial business.

HOURS OF SERVICE: 24 hour.

CURRENT, PHASE AND VOLTAGE: Alternating current, single phase, nominally at 115 volts, two-wire, or 115-230 volts, three-wire; or three phase four-wire, delta connected at 115-230 volts.

Except that, in certain city districts, alternating current is supplied from a Y connected secondary network from which 120 volt two-wire, 120-208 volt three-wire, or 120-208 volt three phase four-wire service may be taken; or direct current service (of limited availability) is supplied at 120 volts, two-wire or 120-240 volts, three-wire.

RATE PER RESIDENCE PER MONTH:

6¢ per kilowatthour for the first 15 kilowatthours,
4¢ per kilowatthour for the next 35 kilowatthours,
2½¢ per kilowatthour for the next 200 kilowatthours, and
2¢ per kilowatthour for the excess.

Bills are rendered monthly or bi-monthly, as the Company's rule in force at the time and place of the service may provide. When bills are rendered bi-monthly, the number of kilowatthours chargable at 6¢, 4¢ and 2½¢ are twice the stated monthly quota.

DISCOUNT: 4% for prompt payment.

MINIMUM CHARGE: For single phase alternating current and for direct current service; 50¢ per month, less 4% for prompt payment. For three phase service; $10.00 per month, less 4% for prompt payment.

LAMP SUPPLY: Incandescent lamps will be furnished without extra charge:

(1) To residences connected for the first time to the Company's lines, in such quantities as may be needed, but not to exceed 40 lamps to any one residence.
(2) As replacements of approved burned out lamps in proportion to the use of energy for lighting purposes under this rate.

CONTRACT NO. 1: This is an open order agreement, terminable on three days written notice by either party.

SEE ALSO THE FOLLOWING RULES:
Rule No. 1—Choice of Rates
Rule No. 5—Line Extensions and Service Connections

MICHIGAN PUBLIC SERVICE COMMISSION FILED JUL 22 1918

Issued: July 22, 1918
By J. W. Parker, President and General Manager,
2000 Second Ave., Detroit 26, Michigan

Effective on service rendered on and after July 7, 1918, under authority of Order D-1722 of the Michigan Public Service Commission, dated July 7, 1918.

Include with Page

Exhibit "1"

M.P.S.C. No. 4

Fourth Revised Sheet No. D3
Cancels Third Revised Sheet No. D3
(Discount Reduced from 10% to 4%)

GENERAL COMMERCIAL RATE
(BLOCK FORM)

WHO MAY TAKE THE SERVICE: Persons desiring service for any commercial or industrial purpose, except that this rate cannot be taken in conjunction with the Commercial Demand Rate.

HOURS OF SERVICE: 24 hour.

CURRENT, PHASE AND VOLTAGE: Alternating current, single phase, nominally at 115 volts, two-wire, or 115-230 volts, three-wire; or three phase four-wire, delta connected at 115-230 volts.

Except that, in certain city districts, alternating current is supplied from a Y connected secondary network from which 120 volt two-wire, 120-208 volt three-wire or 120-208 volt three phase four-wire service may be taken; or direct current service (of limited availability) is supplied at 120 volts, two-wire or 120-240 volts, three-wire.

RATE PER MONTH:

5¢ per kilowatthour for the first 100 kilowatthours,
4¢ per kilowatthour for the next 300 kilowatthours,
2½¢ per kilowatthour for the next 6100 kilowatthours, and
2¢ per kilowatthour for the excess.

MICHIGAN PUBLIC SERVICE COMMISSION FILED JUL 22 1918

DISCOUNT: 4% for prompt payment.

MINIMUM CHARGE: $1.00 per month, less 4% discount for prompt payment. See Special Minimum Charges, Sheet No. D6.

LAMP SUPPLY: Replacements of approved burned out incandescent lamps will be furnished, without extra charge, in proportion to the use of energy for lighting purposes under this rate. Where the customer elects to furnish his own lamp replacements each step of the gross energy charge shall be reduced 6/100 cents per kilowatthour.

CONTRACT NO. 3: This is an open order agreement terminable on three days written notice by either party

SEE ALSO THE FOLLOWING RULES:
Rule No. 1—Choice of Rates
Rule No. 5—Line Extensions and Service Connections

Issued: July 22, 1918
By J. W. Parker, President and General Manager
2000 Second Ave., Detroit 26, Michigan

Effective on service rendered on and after July 7, 1918, under authority of Order D-1722 of the Michigan Public Service Commission, dated July 7, 1918

Exhibit "1"

M.P.S.C. No. 4

Sixth Revised Sheet No. D1
Cancels Fifth Revised Sheet No. D1
(Reducing Discount from 4% to 3%, increasing Kwhr charge for second, third and fourth steps of rate)

RESIDENCE RATE

WHO MAY TAKE THE SERVICE: Persons desiring service to residences whether located in urban communities or on farms. Service to buildings appurtenant to the residence may be taken through the residence meter. Appurtenant buildings may include a garage for the use of the residents, and barns, poultry houses and other minor farm buildings.

This rate is not offered for industrial or commercial uses. Specifically it is not offered to rooming houses; nor to groups of cabins to be rented to tourists; nor to apartment buildings; nor to single apartments so small as to lack housekeeping facilities; nor to those greenhouses, hatcheries, dairies or other enterprises which do a commercial business.

HOURS OF SERVICE: 24 hour

CURRENT, PHASE AND VOLTAGE: Alternating current, single phase, nominally at 115 volts, two-wire, or 115-230 volts, three-wire; or three phase four-wire, delta connected at 115-230 volts.

Except that, in certain city districts, alternating current is supplied from a Y connected secondary network from which 120 volt two-wire, 120-208 volt three-wire, or 120-208 volt three phase four-wire service may be taken; or direct current service (of limited availability) is supplied at 120 volts, two-wire or 120-240 volts, three-wire.

RATE PER RESIDENCE PER MONTH:

6¢ per kilowatthour for the first 15 kilowatthours,
4.50¢ per kilowatthour for the next 35 kilowatthours,
2.75¢ per kilowatthour for the next 200 kilowatthours, and
2.25¢ per kilowatthour for the excess.

Bills are rendered monthly or bi-monthly, as the Company's rule in force at the time and place of the service may provide. When bills are rendered bi-monthly, the number of kilowatthours chargeable at 6¢, 4.50¢ and 2.75¢ are twice the stated monthly quota.

DISCOUNT: 3% for prompt payment

MINIMUM CHARGE: For single phase alternating current and for direct current service: 75¢ per month, less 3% for prompt payment. For three phase service; $10.00 per month, less 3% for prompt payment.

LAMP SUPPLY: Incandescent lamps will be furnished without extra charge:

(1) To residences connected for the first time to the Company's lines, in such quantities as may be needed, but not to exceed 40 lamps to any one residence.

(2) As replacements of approved burned out lamps in proportion to the use of energy for lighting purposes under this rate.

CONTRACT TERM: This is an open order agreement, terminable on three days written notice by either party.

SEE ALSO THE FOLLOWING RULES:

Rule No. 1—Choice of Rates
Rule No. 5—Line Extensions and Service Connections

Issued: January 21, 1919
By J. W. Parker, President and General Manager
2000 Second Ave., Detroit 26, Michigan

Effective on service rendered on and after January 21, 1919, under authority of Order D-3222 of the Michigan Public Service Commission, dated January 6, 1919.

Exhibit "1"

M.P.S.C. No. 4

Fifth Revised Sheet No. D2
Cancels Fourth Revised Sheet No. D2
(Reducing Discount from 4% to 3%, increasing charges per kwhr, adding fuel clause)

GENERAL COMMERCIAL RATE
(BLOCK FORM)

WHO MAY TAKE THE SERVICE: Persons desiring service for any commercial or industrial purpose, except that this rate cannot be taken in conjunction with the Commercial Demand Rate.

HOURS OF SERVICE: 24 hour.

CURRENT, PHASE AND VOLTAGE: Alternating current, single phase, nominally at 115 volts, two-wire, or 115-230 volts, three-wire; or three phase four-wire, delta connected at 115-230 volts.

Except that, in certain city districts, alternating current is supplied from a Y connected secondary network from which 120 volt two-wire, 120-208 volt three-wire or 120-208 volt three phase four-wire service may be taken; or direct current service (of limited availability) is supplied at 120 volts, two-wire or 120-240 volts, three-wire.

RATE PER MONTH:

5.25¢ per kilowatthour for the first 100 kilowatthours,
4.25¢ per kilowatthour for the next 300 kilowatthours,
2.75¢ per kilowatthour for the next 6100 kilowatthours, and
1.70¢ plus cost of 1.25¢ coal per kilowatthour for the excess.

The fuel component of the energy charge per kilowatthour for service rendered during any month shall be the average cost to the Edison Company for one and one quarter pounds of coal burned during the preceding month (or the equivalent in other fuels) figured to the nearest one-thousandth of a cent. The cost of fuel shall include the cost of transportation to the Edison Company's generating plants for such fuel, plus any excise or taxes placed upon the purchase or transportation of fuel. Costs of unloading, reloading and storage, switching within or between plants, demurrage and overhead charges, are expressly excluded from this calculation.

DISCOUNT: 3% for prompt payment.

MINIMUM CHARGE: $1.00 per month, less 3% discount for prompt payment. See Special Minimum Charge, Sheet No. B6.

LAMP SUPPLY: Replacements of approved burned out incandescent lamps will be furnished, without extra charge, in proportion to the use of energy for lighting purposes under this rate. Where the customer elects to furnish his own lamp replacements each step of the gross energy charge shall be reduced 6/100 cents per kilowatthour.

CONTRACT TERM: This is an open order agreement, terminable on three days written notice by either party.

SEE ALSO THE FOLLOWING RULES:

Rule No. 1—Choice of Rates
Rule No. 5—Line Extensions and Service Connections

Issued: January 21, 1919
By J. W. Parker, President and General Manager
2000 Second Ave., Detroit 26, Michigan

Effective on service rendered on and after January 21, 1919, under authority of Order D-3222 of the Michigan Public Service Commission, dated January 6, 1919.

M.P.S.C. No. 4

Fourth Revised Sheet No. D1
Cancels Third Revised Sheet No. D1
(Discount Reduced from 10% to 4%)

COMMERCIAL DEMAND RATE

WHO MAY TAKE THE SERVICE: Persons desiring service for any commercial or industrial purpose, except that this rate cannot be taken in conjunction with the General Commercial Rate.

HOURS OF SERVICE: 24 hour.

CURRENT, PHASE AND VOLTAGE: Alternating current, single phase, nominally at 115 volts, two-wire, or 115-230 volts, three-wire; or three phase four-wire, delta connected at 115-230 volts.

Except that, in certain city districts, alternating current is supplied from a Y connected secondary network from which 120 volt two-wire, 120-208 volt three-wire, or 120-208 volt three phase four-wire service may be taken; or direct current service (of limited availability) is supplied at 120 volts, two-wire or 120-240 volts, three-wire.

RATE PER MONTH:

$4.50 per kilowatt of demand for the first 3 kilowatts,
$3.50 per kilowatt of demand for the next 197 kilowatts, and
$2.50 per kilowatt of demand for the excess,
Plus 1½¢ per kilowatthour for the first 10,000 kilowatthours,
1¢ per kilowatthour for the next 30,000 kilowatthours, and
9/10¢ per kilowatthour for the excess.

DISCOUNT: 4% for prompt payment.

MINIMUM CHARGE: The minimum demand charge shall be $2.25 per month, less 4% discount for prompt payment. There is no prescribed minimum energy (kwhr) charge. See Special Minimum Charges, Sheet No. B6.

LAMP SUPPLY: Replacements of approved burned out incandescent lamps will be furnished, without extra charge, in proportion to the use of energy for lighting purposes under this rate. Where the customer elects to furnish his own lamp replacements each step of the gross energy charge shall be reduced 6/100 cents per kilowatthour.

CONTRACT NO. 4: For Demands up to 100 Kilowatts: The agreements are open order, terminable on three days written notice by either party.

For Demands in Excess of 100 Kilowatts: As to continuity of service and as to demand charge, but not as to kilowatthour rate; the term is two years, extending thereafter from month to month until terminated by mutual consent or on twelve months written notice by either party, which may be given at any time after the end of the first year.

SEE ALSO THE FOLLOWING RULES:

Rule No. 1—Choice of Rates
Rule No. 2—Demand Determination
Rule No. 4—Resale of Service
Rule No. 5—Line Extensions and Service Connections
Rule No. 6—Special Minimum Charges

MICHIGAN PUBLIC SERVICE COMMISSION FILED JUL 11 1943

Issued: July 22, 1943
By J. W. Parker, President and General Manager
2000 Second Ave., Detroit 26, Michigan

Effective on service rendered on and after July 7, 1943, under authority of Order D-1222 of the Michigan Public Service Commission, dated July 7, 1943.

M.P.S.C. No. 4

Fourth Revised Sheet No. D1
Cancels Third Revised Sheet No. D1
(Cancels Reconnection Charge for Seasonal Dwellings)

RESIDENCE RATE

WHO MAY TAKE THE SERVICE: Persons desiring service to residences whether located in urban communities or on farms. Service to buildings appurtenant to the residence may be taken through the residence meter. Appurtenant buildings may include a garage for the use of the residents, and barns, poultry houses and other minor farm buildings.

This rate is not offered for industrial or commercial uses. Specifically it is not offered to rooming houses; nor to groups of cabins to be rented to tourists; nor to apartment buildings; nor to single apartments so small as to lack housekeeping facilities; nor to those greenhouses, hatcheries, dairies or other enterprises which do a commercial business.

HOURS OF SERVICE: 24 hour.

CURRENT, PHASE AND VOLTAGE: Alternating current, single phase, nominally at 115 volts, two-wire, or 115-230 volts, three-wire; or three phase four-wire, delta connected at 115-230 volts.

Except that, in certain city districts, alternating current is supplied from a Y connected secondary network from which 120 volt two-wire, 120-208 volt three-wire, or 120-208 volt three phase four-wire service may be taken; or direct current service (of limited availability) is supplied at 120 volts, two-wire or 120-240 volts, three-wire.

RATE PER RESIDENCE PER MONTH:

6¢ per kilowatthour for the first 15 kilowatthours,
4¢ per kilowatthour for the next 35 kilowatthours,
2½¢ per kilowatthour for the next 200 kilowatthours, and
2¢ per kilowatthour for the excess.

Bills are rendered monthly or bi-monthly, as the Company's rule in force at the time and place of the service may provide. When bills are rendered bi-monthly, the number of kilowatthours chargeable at 6¢, 4¢ and 2½¢ are twice the stated monthly quota.

DISCOUNT: 10% for prompt payment.

MINIMUM CHARGE: For single phase alternating current and for direct current service; 35¢ per month, less 10% for prompt payment. For three phase service; $10.00 per month, less 10% for prompt payment.

LAMP SUPPLY: Incandescent lamps will be furnished without extra charge:

(1) To residences connected for the first time to the Company's lines, in such quantities as may be needed, but not to exceed 40 lamps to any one residence.
(2) As replacements of approved burned out lamps in proportion to the use of energy for lighting purposes under this rate.

CONTRACT NO. 1: This is an open order agreement, terminable on three days written notice by either party.

SEE ALSO THE FOLLOWING RULES:

Rule No. 1—Choice of Rates
Rule No. 5—Line Extensions and Service Connections

MICHIGAN PUBLIC SERVICE COMMISSION FILED JAN 8 1943

Issued: December 12, 1942
By J. W. Parker, President and General Manager
2000 Second Ave., Detroit 26, Michigan

Effective on service rendered during and after first full billing period following December 1, 1942, under authority of Order D-1222 of the Michigan Public Service Commission, dated Nov. 26, 1942.

M.P.S.C. No. 4

Third Revised Sheet No. D1
Cancels Second Revised Sheet No. D1
(Reducing First Step from 4¢ to 4¢, and Adding Fourth Step of 2¢)

RESIDENCE RATE

WHO MAY TAKE THE SERVICE: Persons desiring service to residences whether located in urban communities or on farms. Service to buildings appurtenant to the residence may be taken through the residence meter. Appurtenant buildings may include a garage for the use of the residents, and barns, poultry houses and other minor farm buildings.

This rate is not offered for industrial or commercial uses. Specifically it is not offered to rooming houses; nor to groups of cabins to be rented to tourists; nor to apartment buildings; nor to single apartments so small as to lack housekeeping facilities; nor to those greenhouses, hatcheries, dairies or other enterprises which do a commercial business.

HOURS OF SERVICE: 24 hour.

CURRENT, PHASE AND VOLTAGE: Alternating current, single phase, nominally at 115 volts, two-wire, or 115-230 volts, three-wire; or three phase four-wire, delta connected at 115-230 volts.

Except that, in certain city districts, alternating current is supplied from a Y connected secondary network from which 120 volt two-wire, 120-208 volt three-wire, or 120-208 volt three phase four-wire service may be taken; or direct current service (of limited availability) is supplied at 120 volts, two-wire or 120-240 volts, three-wire.

RATE PER RESIDENCE PER MONTH:

6¢ per kilowatthour for the first 15 kilowatthours,
4¢ per kilowatthour for the next 35 kilowatthours,
2½¢ per kilowatthour for the next 200 kilowatthours, and
3¢ per kilowatthour for the excess.

Bills are rendered monthly or bi-monthly, as the Company's rule in force at the time and place of the service may provide. When bills are rendered bi-monthly, the number of kilowatthours chargeable at *6¢, 4¢ and 2½¢* are twice the stated monthly quota.

DISCOUNT: 10% for prompt payment.

MINIMUM CHARGE: For single phase alternating current and for direct current service; 50¢ per month, less 10% for prompt payment. For three phase service; $1.00 per month, less 10% for prompt payment.

SUMMER COTTAGES, ETC.: For residences that are occupied only seasonally, that is during the summer months, fishing or hunting seasons or otherwise to like effect, a charge of $1.50 net, payable in advance, will be made each time a new account is opened, or a closed account is reopened, except that no such charge shall be made at the time of the initial connection of the building to the Company's lines.

LAMP SUPPLY: Incandescent lamps will be furnished without extra charge:

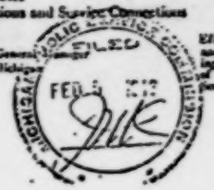
(1) To residences connected for the first time to the Company's lines, in such quantities as may be needed, but not to exceed 40 lamps to any one residence.
(2) As replacements of approved burned out lamps in proportion to the use of energy for lighting purposes under this rate.

CONTRACT NO. 1: This is an open order agreement, terminable on three days written notice by either party.

SEE ALSO THE FOLLOWING RULES:

Rule No. 1—Choice of Rates
Rule No. 5—Line Extensions and Service Connections

Issued: January 21, 1936
By J. W. Parker, President and General Manager
2000 Second Ave., Detroit, Michigan



Effective on service rendered during and after first full billing period following January 1, 1936, under authority and Order D-1222 of the Michigan Public Service Commission, dated January 21, 1936.

M.P.S.C. No. 4

Third Revised Sheet No. D2
Cancels *Second* Revised Sheet No. D2
(Reducing First Step to 10¢ Rate and Adding Fourth Step of 2¢)

GENERAL COMMERCIAL RATE
(BLOCK FORM)

WHO MAY TAKE THE SERVICE: Persons desiring service for any commercial or industrial purpose, except that this rate cannot be taken in conjunction with the Commercial Demand Rate.

HOURS OF SERVICE: 24 hour.

CURRENT, PHASE AND VOLTAGE: Alternating current, single phase, nominally at 115 volts, two-wire, or 115-230 volts, three-wire; or three phase four-wire, delta connected at 115-230 volts.

Except that, in certain city districts, alternating current is supplied from a Y connected secondary network from which 120 volt two-wire, 120-208 volt three-wire or 120-208 volt three phase four-wire service may be taken; or direct current service (of limited availability) is supplied at 120 volts, two-wire or 120-240 volts, three-wire.

RATE PER MONTH:

5¢ per kilowatthour for the first 100 kilowatthours,
4¢ per kilowatthour for the next 500 kilowatthours,
2½¢ per kilowatthour for the next 6400 kilowatthours, and
2¢ per kilowatthour for the excess.

DISCOUNT: 10% for prompt payment.

MINIMUM CHARGE: $1.00 per month, less 10% discount for prompt payment. See Special Minimum Charges, Sheet No. B6.

LAMP SUPPLY: Replacements of approved burned out incandescent lamps will be furnished, without extra charge, in proportion to the use of energy for lighting purposes under this rate. Where the customer elects to furnish his own lamp replacements each step of the gross energy charge shall be reduced 6/100 cents per kilowatthour.

CONTRACT NO. 3: This is an open order agreement, terminable on three days written notice by either party.

SEE ALSO THE FOLLOWING RULES:

Rule No. 1—Choice of Rates
Rule No. 5—Line Extensions and Service Extensions

Issued: January 21, 1936
By J. W. Parker, President and General Manager
2000 Second Ave., Detroit, Michigan

Effective on service rendered on and after January 1, 1936, under authority of Order D-1222 of the Michigan Public Service Commission, dated January 21, 1936.

BEST COPY AVAILABLE

M.P.S.C. No. 4

Third Revised Sheet No. D1
Cancels *Second Revised* Sheet No. D1
(Reducing First Step of Demand Charge from $3.50 to $3.20 and Minimum Charge from $2.50 to $2.25)

COMMERCIAL DEMAND RATE

WHO MAY TAKE THE SERVICE: Persons desiring service for any commercial or industrial purpose, except that this rate cannot be taken in conjunction with the General Commercial Rate.

HOURS OF SERVICE: 24 hour.

CURRENT, PHASE AND VOLTAGE: Alternating current, single phase, nominally at 115 volts, two-wire, or 115-230 volts, three-wire; or three phase four-wire, delta connected at 115-230 volts.

Except that, in certain city districts, alternating current is supplied from a Y connected secondary network from which 120 volt two-wire, 120-208 volt three-wire, or 120-208 volt three phase four-wire service may be taken; or direct current service (of limited availability) is supplied at 120 volts, two-wire or 120-240 volts, three-wire.

MICHIGAN PUBLIC SERVICE COMMISSION
FILED
FEB 5 1918

RATE PER MONTH:
$4.50 per kilowatt of demand for the first 3 kilowatts,
$3.50 per kilowatt of demand for the next 197 kilowatts, and
$2.50 per kilowatt of demand for the excess,
Plus 1½¢ per *kilowatthour* for the first 10,000 *kilowatthours*,
1¢ per *kilowatthour* for the next 30,000 *kilowatthours*, and
9/10¢ per *kilowatthour* for the excess.

DISCOUNT: 10% for prompt payment.

MINIMUM CHARGE: The minimum demand charge shall be $2.25 per month, less 10% discount for prompt payment. There is no prescribed minimum energy (kwhr) charge. See Special Minimum Charges, Sheet No. B6.

LAMP SUPPLY: Replacements of approved burned out incandescent lamps will be furnished, without extra charge, in proportion to the use of energy for lighting purposes under this rate. Where the customer elects to furnish his own lamp replacements each step of the gross energy charge shall be reduced 6/100 cents per kilowatthour.

CONTRACT NO. 4: For Demands up to 100 Kilowatts: The agreements are open order, terminable on three days written notice by either party.

For Demands in Excess of 100 Kilowatts: As to continuity of service and as to demand charge, but not as to kilowatthour rate; the term is two years, extending thereafter from month to month until terminated by mutual consent or on twelve months written notice by either party, which may be given at any time after the end of the first year.

SEE ALSO THE FOLLOWING RULES:
Rule No. 1—Choice of Rates
Rule No. 2—Demand Determination
Rule No. 4—Resale of Service
Rule No. 5—Line Extensions and Service Connections
Rule No. 6—Special Minimum Charge

Issued January 21, 1918
By J. W. Farrar, President and General Manager
2600 Second Ave., Detroit, Michigan

Effective on service rendered on and after January 1, 1918, pursuant to Order U-1222 of the Michigan Public Service Commission, dated January 21, 1918.

M.P.S.C. No. 4

Second Revised Sheet No. D3
Cancelling *First Revised* Sheet No. D3
(Energy charge should be reduced where customer elects to furnish his own lamp replacements)

GENERAL COMMERCIAL RATE
(BLOCK FORM)

WHO MAY TAKE THE SERVICE: Persons desiring service for any commercial or industrial purpose, except that this rate cannot be taken in conjunction with the Commercial Demand Rate.

HOURS OF SERVICE: 24 hours

CURRENT, PHASE AND VOLTAGE: Alternating current, single phase, nominally at 115 volts, two-wire, or 115-230 volts, three-wire; or three phase four-wire, delta connected at 115-230 volts.

Except that, in certain city districts, alternating current is supplied from a Y connected secondary network from which 120 volt two-wire, 120-208 volt three-wire or 120-208 volt three phase four-wire service may be taken; or direct current service (of limited availability) is supplied at 120 volts, two-wire or 120-240 volts, three-wire.

RATE: 8c per kwhr for the first 200 kwhr per month,
4c per kwhr for the next 500 kwhr per month, and
2½c per kwhr for the excess.

DISCOUNT: 10% for prompt payment.

MINIMUM CHARGE: $1.00 per month, less 10% discount for prompt payment. See Special Minimum Charges, Sheet No. B6.

LAMP SUPPLY: Replacements of approved burned out incandescent lamps will be furnished, without extra charge, in proportion to the use of energy for lighting purposes under this rate. *Where the customer elects to furnish his own lamp replacements each step of the gross energy charge shall be reduced 6/100 cents per kilowatthour.*

CONTRACT NO. 3: This is an open order agreement, terminable on three days written notice by either party.

SEE ALSO THE FOLLOWING RULES:
Rule No. 1—Choice of Rates
Rule No. 5—Line Extensions and Service Extensions

Issued October 25, 1915
By A. C. Marshall, President
2600 Second Ave., Detroit, Michigan

FILED
NOV 10 1915

Effective November 1, 1915, as by Order of Under Docket of the Michigan Public Service Commission, dated October 6, 1915.

Exhibit "1"

M.P.S.C. No. 4

Second Revised Sheet No. D1
Cancelling *First Revised* Sheet No. D1
(Energy charge shall be reduced where customer elects to furnish his own lamp replacements)

COMMERCIAL DEMAND RATE

WHO MAY TAKE THE SERVICE: Persons desiring service for any commercial or industrial purpose, except that this rate cannot be taken in conjunction with the General Commercial Rate.

HOURS OF SERVICE: 24 hour.

CURRENT, PHASE AND VOLTAGE: Alternating current, single phase, nominally at 115 volts, two-wire, or 115-230 volts, three-wire; or three phase four-wire, delta connected at 115-230 volts.

Except that, in certain city districts, alternating current is supplied from a Y connected secondary network from which 120 volt two-wire, 120-208 volt three-wire, or 120-208 volt three phase four-wire service may be taken; or direct current service (of limited availability) is supplied at 120 volts, two-wire or 120-240 volts, three-wire.

RATE: $5.00 per month per kilowatt of demand for the first 3 kilowatts,
$3.50 per month per kilowatt of demand for the next 197 kilowatts,
$2.50 per month per kilowatt of demand for the excess,
Plus 1½¢ per kwhr for the first 10,000 kwhr per month,
1¢ per kwhr for the next 30,000 kwhr per month, and
9/10¢ per kwhr for the excess.

DISCOUNT: 10% for prompt payment.

MINIMUM CHARGE: The minimum demand charge shall be $2.50 per month, less 10% discount for prompt payment. There is no prescribed minimum energy (kwhr) charge. See Special Minimum Charges, Sheet No. B6.

LAMP SUPPLY: Replacements of approved burned out incandescent lamps will be furnished, without extra charge, in proportion to the use of energy for lighting purposes under this rate. *Where the customer elects to furnish his own lamp replacements each step of the gross energy charge shall be reduced 6/100 cents per kilowatthour.*

CONTRACT NO. 4: For Demands up to 100 Kilowatts: The agreements are open order, terminable on three days' written notice by either party.

For Demands in Excess of 100 Kilowatts: As to continuity of service and as to demand charge, but not as to kilowatthour rate; the term is two years, extending thereafter from month to month until terminated by mutual consent or on twelve months' written notice by either party, which may be given at any time after the end of the first year.

SEE ALSO THE FOLLOWING RULES:
Rule No. 1—Choice of Rates
Rule No. 2—Demand Determination
Rule No. 4—Resale of Service
Rule No. 5—Line Extensions and Service Connections
Rule No. 6—Special Minimum Charges

Issued October 28, 1931
By Alfred C. Marshall, President
2000 Second Ave., Detroit, Michigan

MICHIGAN PUBLIC SERVICE COMMISSION
FILED
NOV 13 1931
DMH

Effective November 1, 1931, under authority of Order D-1722 of the Michigan Public Service Commission, dated October 6, 1931.

Exhibit "1"

M.P.S.C. No. 4

Second Revised Sheet No. D1
Cancels First Revised Sheet No. D1
(Reducing First Step from 9¢ to 8¢)

RESIDENCE RATE

WHO MAY TAKE THE SERVICE: Persons desiring service to residences whether located in urban communities or on farms. Service to buildings appurtenant to the residence may be taken through the residence meter. Appurtenant buildings may include a garage for the use of the residents, and barns, henhouses and other minor farm buildings.

This rate is not offered for industrial or commercial uses. Specifically it is not offered to rooming houses; nor to groups of cabins to be rented to tourists; nor to apartment buildings; nor to single apartments so small as to lack housekeeping facilities; nor to those greenhouses, hatcheries, dairies or other enterprises which are a commercial business.

HOURS OF SERVICE: 24 hour.

CURRENT, PHASE AND VOLTAGE: Alternating current, single phase, nominally at 115 volts, two-wire, or 115-230 volts, three-wire; or three phase four-wire, delta connected at 115-230 volts.

Except that, in certain city districts, alternating current is supplied from a Y connected secondary network from which 120 volt two-wire, 120-208 volt three-wire, or 120-208 volt three phase four-wire service may be taken; or direct current service (of limited availability) is supplied at 120 volts, two-wire or 120-240 volts, three-wire.

RATE: *8¢ per kwhr for the first 10 kwhr per residence per month,*
4¢ per kwhr for the next 40 kwhr per residence per month, and
2½¢ per kwhr for the excess.

Bills are rendered monthly or bi-monthly, as the Company's rule in force at the time and place of the service may provide. When bills are rendered bi-monthly, the number of kilowatthours chargeable at *8¢* and the number chargeable at *4¢* are twice the stated monthly quota.

DISCOUNT: 10% for prompt payment.

MINIMUM CHARGE: For single phase alternating current and for direct current service; 50¢ per month, less 10% for prompt payment. For three phase service; $10.00 per month, less 10% for prompt payment.

SUMMER COTTAGES, ETC.: For residences that are occupied only seasonally, that is during the summer months, fishing or hunting seasons or otherwise to like effect, a charge of $1.50 net, payable in advance, will be made each time a new account is opened, or a closed account is reopened, except that no such charge shall be made at the time of the initial connection of the building to the Company's lines.

LAMP SUPPLY: Incandescent lamps will be furnished without extra charge:
(1) To residences connected for the first time to the lines, in such quantities as may be needed, but not to exceed 40 lamps to any one residence.
(2) As replacements of burned out lamps in proportion to the use of energy for lighting purposes under this rate.

CONTRACT NO. 1: This is an open order agreement, terminable on three days written notice by either party.

SEE ALSO THE FOLLOWING RULES:
Rule No. 1—Choice of Rates
Rule No. 5—Line Extensions and Service Connections

Issued June 15, 1931
By A. C. Marshall, President
2000 Second Ave., Detroit, Michigan

MICHIGAN PUBLIC SERVICE COMMISSION
FILED
JUL 17 1931
RKH.

Effective July 1, 1931, under authority of Order D-1722 of the Michigan Public Service Commission dated June 13, 1931

Exhibit "1"

M.P.S.C. No. 4

First Revised Sheet No. D3
Cancelling Original Sheet No. D3
(Demand Charge and Energy Charge Rates for Large Consumptions).

COMMERCIAL DEMAND RATE

WHO MAY TAKE THE SERVICE: Persons *desiring* service for any commercial or industrial purpose, except that this rate cannot be taken in conjunction with the General Commercial Rate.

HOURS OF SERVICE: 24 hour.

CURRENT, PHASE AND VOLTAGE: Alternating current, single phase, nominally at 115 volts, two-wire, or 115-230 volts, three-wire; or three phase four-wire, delta connected at 115-230 volts.

Except that, in certain city districts, alternating current is supplied from a Y connected secondary network from which 120 volt two-wire, 120-208 volt three-wire, or 120-208 volt three phase four-wire service may be taken; or direct current service (of limited availability) is supplied at 120 volts, two-wire or 120-240 volts, three-wire.

MICHIGAN PUBLIC SERVICE COMMISSION
FILED
MAR 7 - 1941
RAH

RATE: $1.00 per month per kilowatt of demand for the first 3 kilowatts,
$3.50 per month per kilowatt of demand for the next 197 kilowatts,
$2.50 per month per kilowatt of demand for the excess,
Plus 1½¢ per kwhr for the first 10,000 kwhr per month,
1¢ per kwhr for the next 20,000 kwhr per month, and
3/10¢ per kwhr for the excess.

DISCOUNT: 10% for prompt payment.

MINIMUM CHARGE: The minimum demand charge shall be $2.50 per month, less 10% discount for prompt payment. There is no prescribed minimum energy (kwhr) charge. See Special Minimum Charges, Sheet No. B6.

LAMP SUPPLY: Replacements of *approved* burned out *incandescent* lamps will be furnished, without extra charge, in proportion to the use of energy for lighting purposes under this rate.

CONTRACT NO. 4: For Demands up to 100 Kilowatts: The agreements are open order, terminable on three days' written notice by either party.

For Demands in Excess of 100 Kilowatts: As to continuity of service and as to demand charge, but not as to kilowatt hour rate: the term is two years, extending thereafter from month to month until terminated by mutual consent or on twelve months' written notice by either party, which may be given at any time after the end of the first year.

SEE ALSO THE FOLLOWING RULES:
Rule No. 1—Choice of Rates
Rule No. 2—Demand Determination
Rule No. 4—Resale of Service
Rule No. 5—Line Extensions and Service Connections
Rule No. 6—Special Minimum Charges

Issued February 17, 1941
By Alfred L. Marshall, President
2600 Second Ave., Detroit, Michigan

Effective March 1, 1941, under authority of Order No. D-1222 of the Michigan Public Service Commission, dated February 24, 1941

Exhibit "1"

M.P.S.C. No. 4

First Revised Sheet No. B3
Cancelling Original Sheet No. B3
(Reducing first step of rate from 2½¢ to 2½¢ per kwhr, and third step from 3¢ to 2½¢ per kwhr.)

GENERAL COMMERCIAL RATE
(BLOCK FORM)

WHO MAY TAKE THE SERVICE: Persons desiring service for any commercial or industrial purpose, except that this rate cannot be taken in conjunction with the Commercial Demand Rate.

HOURS OF SERVICE: 24 hour.

CURRENT, PHASE AND VOLTAGE: Alternating current, single phase, nominally at 115 volts, two-wire, or 115-230 volts, three-wire; or three phase four-wire, delta connected at 115-230 volts.

Except that, in certain city districts, alternating current is supplied from a Y connected secondary network from which 120 volt two-wire, 120-208 volt three-wire or 120-208 volt three phase four-wire service may be taken; or direct current service (of limited availability) is supplied at 120 volts, two-wire or 120-240 volts, three-wire.

MICHIGAN PUBLIC SERVICE COMMISSION
FILED
JUL 22 1940
RAH

RATE: 3¢ per kwhr for the first 300 kwhr per month,
4¢ per kwhr for the next 300 kwhr per month, and
2½¢ per kwhr for the excess.

DISCOUNT: 10% for prompt payment.

MINIMUM CHARGE: $1.00 per month, less 10% discount for prompt payment. See Special Minimum Charges, Sheet No. B6.

LAMP SUPPLY: Replacements of burned out incandescent lamps will be furnished, without extra charge, in proportion to the use of energy for lighting purposes under this rate.

CONTRACT NO. 3: This is an open order agreement, terminable on three days written notice by either party.

SEE ALSO THE FOLLOWING RULES:
Rule No. 1—Choice of Rates
Rule No. 5—Line Extensions and Service Extensions

Issued July 2, 1940
By A. C. Marshall, President
2600 Second Ave., Detroit, Michigan

Effective August 1, 1940, under authority of Order No. D-1222 of the Michigan Public Service Commission, dated July 1, 1940

M.P.S.C. No. 4

First Revised Sheet No. D1
Cancels Original Sheet No. D1
(Revision of Who May Take The Service)

RESIDENCE RATE

WHO MAY TAKE THE SERVICE: *Persons desiring service to residences whether located in urban communities or on farms. Service to buildings appurtenant to the residence may be taken through the residence meter. Appurtenant buildings may include a garage for the use of the residents, and barns, henhouses and other minor farm buildings.*

This rate is not offered for industrial or commercial uses. Specifically it is not offered to rooming houses; nor to groups of cabins to be rented to tourists; nor to apartment buildings; nor to single apartments so small as to lack housekeeping facilities; *nor to those greenhouses, hatcheries, dairies or other enterprises which do a commercial business.*

HOURS OF SERVICE: 24 hour.

CURRENT, PHASE AND VOLTAGE: Alternating current, single phase, nominally at 115 volts, two-wire, or 115-230 volts, three-wire; or three phase four-wire, delta connected at 115-230 volts.

Except that, in certain city districts, alternating current is supplied from a Y connected secondary network from which 120 volt two-wire, 120-208 volt three-wire, or 120-208 volt three phase four-wire service may be taken; or direct current service (of limited availability) is supplied at 120 volts, two-wire or 120-240 volts, three-wire.

RATE: 9¢ per kwhr for the first 10 kwhr per residence per month,
4¢ per kwhr for the next 40 kwhr per residence per month, and
2½¢ per kwhr for the excess.

Bills are rendered monthly or bi-monthly, as the Company's rule in force at the time and place of the service may provide. When bills are rendered bi-monthly, the number of kilowatt-hours chargeable at 9¢ and the number chargeable at 4¢ are twice the stated monthly quota.

DISCOUNT: 10% for prompt payment.

MINIMUM CHARGE: For single phase alternating current and for direct current service; 50¢ per month, less 10% for prompt payment. For three phase service; $10.00 per month, less 10% for prompt payment.

SUMMER COTTAGES, ETC.: For residences that are occupied only seasonally, that is during the summer months, fishing or hunting seasons or otherwise to like effect, a charge of $1.50 net, payable in advance, will be made each time a new account is opened, or a closed account is reopened, except that no such charge shall be made at the time of the initial connection of the building to the Company's lines.

LAMP SUPPLY: Incandescent lamps will be furnished without extra charge:
(1) To residences connected for the first time to the lines, in such quantities as may be needed, but not to exceed 40 lamps to any one residence.
(2) As replacements of burned out lamps in proportion to the use of energy for lighting purposes under this rate.

CONTRACT NO. 1: This is an open order agreement, terminable on three days written notice by either party.

SEE ALSO THE FOLLOWING RULES:
Rule No. 1—Choice of Rates
Rule No. 5—Line Extensions and Service Connections

Issued: May 8, 1940
By A. C. Marshall, President
2900 Second Ave., Detroit, Michigan

MICHIGAN PUBLIC SERVICE COMMISSION FILED MAY 23 1940

Effective May 28, 1940, under authority of Order D-1722-38.1 of the Michigan Public Service Commission dated April 12, 1940

M.P.U.C. No. 1
Cancels M.P.U.C. No. 3

Original Sheet No. D1

MICHIGAN PUBLIC UTILITIES COMMISSION FILED JUN 24 1938

RESIDENCE RATE

WHO MAY TAKE THE SERVICE: Persons desiring service to residences or farms including appurtenant buildings served from the residence meter.

This rate is not offered for industrial or commercial uses. Specifically it is not offered to rooming houses; nor to groups of cabins to be rented to tourists; nor to apartment buildings; nor to single apartments so small as to lack housekeeping facilities; nor for commercial or industrial uses carried on in a residence or on a farm.

HOURS OF SERVICE: 24 hour.

CURRENT, PHASE AND VOLTAGE: Alternating current, single phase, nominally at 115 volts, two-wire, or 115-230 volts, three-wire; or three phase four-wire, delta connected at 115-230 volts.

Except that, in certain city districts, alternating current is supplied from a Y connected secondary network from which 120 volt two-wire, 120-208 volt three-wire, or 120-208 volt three phase four-wire service may be taken; or direct current service (of limited availability) is supplied at 120 volts, two-wire or 120-240 volts, three-wire.

RATE: 9¢ per kwhr for the first 10 kwhr per residence per month,
4¢ per kwhr for the next 40 kwhr per residence per month, and
2½¢ per kwhr for the excess.

Bills are rendered monthly or bi-monthly, as the Company's rule in force at the time and place of the service may provide. When bills are rendered bi-monthly, the number of kilowatt-hours chargeable at 9¢ and the number chargeable at 4¢ are twice the stated monthly quota.

DISCOUNT: 10% for prompt payment.

MINIMUM CHARGE: For single phase alternating current and for direct current service; 50¢ per month, less 10% for prompt payment. For three phase service; $10.00 per month, less 10% for prompt payment.

SUMMER COTTAGES, ETC.: For residences that are occupied only seasonally, that is during the summer months, fishing or hunting seasons or otherwise to like effect, a charge of $1.50 net, payable in advance, will be made each time a new account is opened, or a closed account is reopened, except that no such charge shall be made at the time of the initial connection of the building to the Company's lines.

LAMP SUPPLY: Incandescent lamps will be furnished without extra charge.
(1) To residences connected for the first time to the lines, in such quantities as may be needed, but not to exceed 40 lamps to any one residence.
(2) As replacements of burned out Mazda lamps in proportion to the use of energy for lighting purposes under this rate.

CONTRACT NO. 1: This is an open order agreement, terminable on three days written notice by either party.

SEE ALSO THE FOLLOWING RULES:
Rule No. 1—Choice of Rates
Rule No. 5—Line Extensions and Service Connections

Issued: April 1, 1938
By Alex Fleet, President
2900 Second Ave., Detroit, Michigan

Effective May 2, 1938, under authority of Order D-1722-38.1 of the Michigan Public Utilities Commission dated April 19, 1938

Include with page

M.P.U.C. No. 1
Cancels M.P.U.C. No. 3

Original Sheet No. B3

GENERAL COMMERCIAL RATE
(BLOCK FORM)

WHO MAY TAKE THE SERVICE: Persons desiring service for any commercial or industrial purpose, except that this rate cannot be taken in conjunction with the Commercial Demand Rate.

HOURS OF SERVICE: 24 hour.

CURRENT, PHASE AND VOLTAGE: Alternating current, single phase, nominally at 115 volts, two-wire, or 115-230 volts, three-wire; or three phase four-wire, delta connected at 115-230 volts.

Except that, in certain city districts, alternating current is supplied from a Y connected secondary network from which 120 volt two-wire, 120-208 volt three-wire or 120-208 volt three phase four-wire service may be taken; or direct current service (of limited availability) is supplied at 120 volts, two-wire or 120-240 volts, three-wire.

RATE: 5¢ per kwhr for the first 250 kwhr per month,
4¢ per kwhr for the next 500 kwhr per month, and
3¢ per kwhr for the excess.

DISCOUNT: 10% for prompt payment.

MINIMUM CHARGE: $1.00 per month, less 10% discount for prompt payment. See Special Minimum Charges, Sheet No. B6.

LAMP SUPPLY: Replacements of burned out Mazda lamps will be furnished, without extra charge, in proportion to the use of energy for lighting purposes under this rate.

CONTRACT NO. 3: This is an open order agreement, terminable on three days written notice by either party.

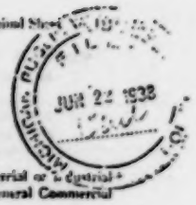
SEE ALSO THE FOLLOWING RULES:
Rule No. 1—Choice of Rates.
Rule No. 5—Line Extensions and Service Extensions

Issued: April 1, 1938
By Alex Dow, President
One Second Ave., Detroit, Michigan

Effective May 2, 1938, under authority of Order U-1647-213 of the Michigan Public Utilities Commission, dated April 19, 1938

M.P.U.C. No. 1
Cancels M.P.U.C. No. 3

Original Sheet No. [illegible]



COMMERCIAL DEMAND RATE

WHO MAY TAKE THE SERVICE: Persons desiring service for any commercial or industrial purpose, except that this rate cannot be taken in conjunction with the General Commercial Rate.

HOURS OF SERVICE: 24 hour

CURRENT, PHASE AND VOLTAGE: Alternating current, single phase, nominally at 115 volts, two-wire, or 115-230 volts, three-wire; or three phase four-wire, delta connected at 115-230 volts.

Except that, in certain city districts, alternating current is supplied from a Y connected secondary network from which 120 volt two-wire, 120-208 volt three-wire, or 120-208 volt three phase four-wire services may be taken; or direct current service (of limited availability) is supplied at 120 volts, two-wire or 120-240 volts three-wire.

RATE: $5.00 per month per kilowatt of demand for the first 3 kilowatts,
$3.50 per month per kilowatt for the excess demand,
Plus 1½¢ per kwhr for the first 10,000 kwhr per month, and
1¢ per kwhr for the excess.

DISCOUNT: 10% for prompt payment.

MINIMUM CHARGE: The minimum demand charge shall be $2.50 per month, less 10% discount for prompt payment. There is no prescribed minimum energy (kwhr) charge. See Special Minimum Charges, Sheet No. B6

LAMP SUPPLY: Replacements of burned out Mazda lamps will be furnished, without extra charge, in proportion to the use of energy for lighting purposes under this rate.

CONTRACT NO. 4: For Demands up to 100 Kilowatts: The agreements are open order, terminable on three days written notice by either party.
For Demands in Excess of 100 Kilowatts: As to continuity of service and as to demand charge, but *not* as to like-without rate; the term is *two years*, extending thereafter from month to month until terminated by mutual consent or on twelve months written notice by either party, *which may be given at any time after the end of the first year.*

SEE ALSO THE FOLLOWING RULES:
Rule No. 1—Choice of Rates
Rule No. 2—Demand Determination
Rule No. 4—Resale of Service
Rule No. 5—Line Extensions and Service Connections
Rule No. 6—Special Minimum Charges

Issued: April 1, 1938
By Alex Dow, President
One Second Ave., Detroit, Michigan

Effective May 2, 1938, under authority of Order U-1647-213 of the Michigan Public Utilities Commission, dated April 19, 1938

Exhibit "1"

RESIDENCE RATE

WHO MAY TAKE THE SERVICE: Persons desiring service to residences or farms, including appurtenant buildings served from the residence meter.

This rate is not offered for industrial or commercial uses. Specifically it is not offered to rooming houses; nor to groups of cabins to be rented to tourists; nor to apartment buildings; nor to single apartments so small as to lack housekeeping facilities; nor for commercial or industrial uses carried on in a residence or on a farm.

HOURS OF SERVICE: 24 hour.

CURRENT, PHASE AND VOLTAGE: Alternating current, single phase, nominally at 115 volts, two-wire, or 115-230 volts, three-wire; or three phase four-wire, delta connected at 115-230 volts.

Except that, in certain city districts, alternating current is supplied from a Y connected secondary network from which 120 volt two-wire, 120-208 volt three-wire, or 120-208 volt three phase four-wire service may be taken; or direct current service (of limited availability) is supplied at 120 volts, two-wire or 120-240 volts, three-wire.

RATE: 9¢ per kwhr for the first 10 kwhr per residence per month,
4¢ per kwhr for the next 40 kwhr per residence per month, and
2½¢ per kwhr for the excess.

Bills are rendered monthly or bi-monthly, as the Company's rule in force at the time and place of the service may provide. When bills are rendered bi-monthly, the number of kilowatt hours chargeable at 9¢ and the number chargeable at 4¢ are twice the stated monthly quota.

DISCOUNT: 10% for prompt payment.

MINIMUM CHARGE: For single phase alternating current and for direct current service; 50¢ per month, less 10% for prompt payment. For three phase service; $1.00 per month, less 10% prompt payment.

SUMMER COTTAGES, ETC.: For residences that are occupied only seasonally, that is during the summer months, fishing or hunting seasons or otherwise to like effect, a charge of $1.50 net, payable in advance, will be made each time a new account is opened, or a closed account reopened, except that no such charge shall be made at the time of the initial connection of a building to the Company's lines.

LAMP SUPPLY: Incandescent lamps will be furnished without extra charge.

(1) To residences connected for the first time to the lines, in such quantities as may be needed, but not to exceed 30 lamps to any one residence.

(2) As replacements of burned out Mazda lamps in proportion to the use of energy for lighting purposes under this rate.

CONTRACT TERM: Open Order, terminable on three days written notice by either party.

Sheet No. C1
First Revision

Effective: On bills rendered on and after March 10,

FOR EXTRA SHEET
SEE FILE NO. 2

Exhibit "1"

RESIDENCE RATE

WHO MAY TAKE THE SERVICE: Persons desiring service to residences or farms, including appurtenant buildings served from the residence meter.

This rate is not offered for industrial or commercial uses. Specifically it is not offered to rooming houses; nor to groups of cabins to be rented to tourists; nor to apartment buildings; nor to single apartments so small as to lack housekeeping facilities; nor for commercial or industrial uses carried on in a residence or on a farm.

HOURS OF SERVICE: 24 hour.

CURRENT, PHASE AND VOLTAGE: Alternating current, single phase, nominally at 115 volts, two-wire, or 115-230 volts, three-wire; or three phase four-wire, delta connected at 115-230 volts.

Except that, in certain city districts, alternating current is supplied from a Y connected secondary network from which 120 volt two-wire, 120-208 volt three-wire, or 120-208 volt three phase four-wire service may be taken; or direct current service (of limited availability) is supplied at 120 volts, two-wire or 120-240 volts, three-wire.

RATE: 9¢ per kwhr for the first 10 kwhr per residence per month,
4¢ per kwhr for the next 40 kwhr per residence per month, and
2½¢ per kwhr for the excess.

Bills are rendered monthly or bi-monthly, as the Company's rule in force at the time and place of the service may provide. When bills are rendered bi-monthly, the number of kilowatt-hours chargeable at 9¢ and the number chargeable at 4¢ are twice the stated monthly quota.

DISCOUNT: 10% for prompt payment.

MINIMUM CHARGE: For single phase alternating current and for direct current service; 50¢ per month, less 10% for prompt payment. For three phase service; $1.00 per month, less 10% for prompt payment.

SUMMER COTTAGES, ETC: For residences that are occupied only seasonally, that is during the summer months, fishing or hunting seasons or otherwise to like effect, a charge of $1.50 net, payable in advance, will be made each time a new account is opened, or a closed account is reopened, [illegible] the Company's lines.

LAMP SUPPLY: Incandescent lamps will be furnished without extra charge:

(1) To residences connected for the first time to the lines, in such quantities as may be needed, but not to exceed 30 lamps to any one residence.

(2) As replacements of burned out Mazda lamps in proportion to the use of energy for lighting purposes under this rate.

CONTRACT TERM: Open Order, terminable on three days written notice by either party.

Sheet No. C1
Original

Effective: On bills rendered on and after November 1, 1936

FOR EXTRA SHEET
SEE FILE NO.

BEST COPY AVAILABLE

Exhibit "1"

M. P. U. C. No. 1 — THE DETROIT EDISON COMPANY
Lake Huron Division

First Revised Sheet No. 7
Canceling Original Sheet No. 7
(Allowing Free Lamp Supply and Adding Rural Residences and Summer Homes)

RESIDENCE SERVICE

CHARACTER OF SERVICE:

Who may take the Service: *Residence Customers in Urban and Rural Districts, and Summer Homes.*

Service to parts of residences or farms used for commercial or manufacturing purposes, to residential hotels, rooming houses, boarding houses, groups of cabins to be rented to tourists, and, in apartment buildings, to single rooms, groups of rooms, or suites not qualifying as residences will only be furnished under an appropriate Commercial Rate Schedule.

Hours of Service: *24 Hours.*

Kind of Service: *Alternating current, single phase, 60 cycles, 115-230 volts.*

RATE: 4½¢ per kilowatthour for the first 30 kilowatthours used per month,
3¢ net per kilowatthour for the next 70 kilowatthours used per month,
2½¢ net per kilowatthour for all excess over 100 kilowatthours used per month.

MINIMUM CHARGE: *For residence customers in urban areas, 75¢ per month; for residence customers in rural areas and for summer homes, $1.00 per month.*

BILLS: *All bills will be rendered at the net rate and will be due and payable within ten days following the date of the bill.*

Bills are rendered monthly or bi-monthly, as the Company's rule in force at the time and place of the service may provide. When bills are rendered bi-monthly, the number of kilowatthours chargeable at 4½¢ and the number chargeable at 3¢ are twice the stated monthly quota.

LAMP SUPPLY:

Incandescent Lamps will be furnished without extra charge:

(1) *To premises connected for the first time to the lines, in such quantities as may be needed, but not to exceed 20 lamps in any one premises.*

(2) *As replacements of Mazda lamps burned out in service on the premises.*

TERM: *Open Order, terminable upon three days' notice by either party.*

For summer homes that are occupied only seasonally, that is, during the summer months, the fishing or hunting season, or otherwise in like effect, a charge of $1.50 is made at the start of a new season for re-establishing service discontinued by the customer's order at the end of the preceding season.

Issued: April 15th, 1926
Issued by Alex Dow, President
3000 Second Ave., Detroit, Michigan

Effective: May 1st, 1926
ISSUED UNDER AUTHORITY OF ELECTRIC APPROVAL DOCKET NO. D-1171 OF THE MICHIGAN PUBLIC UTILITIES COMMISSION, DATED APRIL 13th, 1926.

[illegible] SHEETS

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Exhibit "1"

GENERAL COMMERCIAL RATE

(BLOCK FORM)

WHO MAY TAKE THE SERVICE: Persons desiring service for any commercial or industrial purpose, except that this rate cannot be taken in conjunction with the Commercial Demand Rate.

HOURS OF SERVICE: 24 hour.

CURRENT, PHASE AND VOLTAGE: Alternating current, single-phase, nominally at 115 volts, two-wire, or 115-230 volts, three-wire; or three phase four-wire, delta connected at 115-230 volts.

Except that, in certain city districts, alternating current is supplied from a Y connected secondary network from which 120 volt two-wire, 120-208 volt three-wire or 120-208 volt three phase four-wire service may be taken; or direct current service (of limited availability) is supplied at 120 volts, two-wire or 120-240 volts, three-wire.

RATE: 5¢ per kwhr for the first 250 kwhr per month,
1¢ per kwhr for the next 500 kwhr per month, and
3¢ per kwhr for the excess.

DISCOUNT: 10% for prompt payment.

MINIMUM CHARGE: $1.00 per month, less 10% discount for prompt payment. See Special Minimum Charges, Sheet No. 86.

LAMP SUPPLY: Replacements of burned out Mazda lamps will be furnished, without extra charge, in proportion to the use of energy for lighting purposes under this rate.

CONTRACT TERM: Open order, terminable on three days written notice by either party.

Sheet No. 62
Original

Effective: On bills rendered on and after May 1, 1926

[illegible]

BEST COPY AVAILABLE

Exhibit "1"

M. P. U. C. No. 2 — THE DETROIT EDISON COMPANY

Third Revised Sheet No. 9

Cancelling Second Revised Sheet No. 9

(Adding 300 watt size to list of lamps renewed without charge.)

GENERAL RULES

(6) LAMPS, PATROL SERVICE, ETC.

LAMPS. Original installations of incandescent lamps are bought and owned by customers, *EXCEPT* that to each residence when connected for the first time to the Company's lines, we furnish, free, 30, 50-watt or 60-watt Mazda lamps or such less number as may be necessary to equip the residence. The Company sells Mazda lamps, for use on its circuits, at list prices, to customers paying Lighting Rates, (except Open Air Amusement Park Rates), renewals of 25-watt, 30-watt, 40-watt, 50-watt, 60-watt, 100-watt and 250-watt Mazda lamps free, and renewals of some other sizes at reduced prices. Further information, and renewal prices in effect from time to time are given on the Company's Lamp Card, which is furnished to customers upon request.

Renewal prices are payable in addition to the return of the burned out lamps to the Company.

Renewals of lamps are furnished at the Company's offices; or, in the Detroit District, will be delivered, on request of the customer, to his premises.

PATROL SERVICE—In the Detroit District the Company's patrolmen are on duty twenty-four hours a day every day in the year, and will respond to emergency calls from customers. In the Eastern Michigan District similar patrol service is maintained during the day and early evening hours.

The patrolmen make such repairs on customers' premises as do not require the furnishing of any materials, other than replacements of burnt out plug fuses, up to 30 amperes, ferrule type fuses of 45 to 60 amperes, and knife blade fuses of 75, 100 and 125 ampere capacity. When the conditions require wiring, contractors' labor or materials, the patrolmen will disconnect the circuits causing the trouble, and notify customer that the trouble should be taken care of by an electrical wiring firm.

Under Power Service agreements by which patrol service is expressly excluded, the Company does not furnish this service; nor under the rate for Auxiliary Service. To Residence Service customers and customers served at Lighting Rates, (except Open Air Amusement Parks Rates), the Patrol service is free.

OUTDOOR ADVERTISING COMPANIES who buy current under the Company's Standard Lighting Contracts (Rate Sheets Nos. 21 and 22, M.P.U.C. No. 2) for lighting of outdoor advertising displays installed and leased by them, and who elect to furnish at their own expense the renewal of lamps and the patrol service which would otherwise be furnished by the Company under this Rule, will be given an additional discount of 5%, this discount to be figured on the gross bills before deducting the prompt payment discount.

Issued: August 17th, 1929 — Effective September 1st, 1929

Issued by Alex Dow, President
2000 Second Ave., Detroit, Michigan

Exhibit "1"

M. P. U. C. No. 2 — THE DETROIT EDISON COMPANY

Second Revised Sheet No. 9

Cancelling First Revised Sheet No. 9

(Changing allowance of free lamps for new residences from 25 to 30.)

GENERAL RULES

(6) LAMPS, PATROL SERVICE, ETC.

LAMPS. Original installations of incandescent lamps are bought and owned by customers, *EXCEPT* that to each residence when connected for the first time to the Company's lines, we furnish, free, 30, 50-watt or 60-watt Mazda lamps or such less number as may be necessary to equip the residence. The Company sells Mazda lamps, for use on its circuits, at list prices, to customers paying Lighting Rates, (except Open Air Amusement Parks Rates), renewals of 25-watt, 30-watt, 40-watt, 50-watt, 60-watt, 100-watt and 250-watt Mazda lamps free, and renewals of some other sizes at reduced prices. Further information, and renewal prices in effect from time to time are given on the Company's Lamp Card, which is furnished to customers upon request.

Renewal prices are payable in addition to the return of the burned out lamps to the Company.

Renewals of lamps are furnished at the Company's offices; or, in the Detroit District, will be delivered, on request of the customer, to his premises.

PATROL SERVICE—In the Detroit District the Company's patrolmen are on duty twenty-four hours a day every day in the year, and will respond to emergency calls from customers. In the Eastern Michigan District similar patrol service is maintained during the day and early evening hours.

The patrolmen make such repairs on customers' premises as do not require the furnishing of any materials, other than replacements of burnt out plug fuses, up to 30 amperes, ferrule type fuses of 45 to 60 amperes, and knife blade fuses of 75, 100 and 125 ampere capacity. When the conditions require wiring, contractors' labor or materials, the patrolmen will disconnect the circuits causing the trouble, and notify customer that the trouble should be taken care of by an electrical wiring firm.

Under Power Service agreements by which patrol service is expressly excluded, the Company does not furnish this service; nor under the rate for Auxiliary Service. To Residence Service customers and customers served at Lighting Rates, (except Open Air Amusement Parks Rates), the Patrol service is free.

OUTDOOR ADVERTISING COMPANIES who buy current under the Company's Standard Lighting Contracts (Rate Sheets Nos. 21 and 22, M.P.U.C. No. 2) for lighting of outdoor advertising displays installed and leased by them, and who elect to furnish at their own expense the renewal of lamps and the patrol service which would otherwise be furnished by the Company under this Rule, will be given an additional discount of 5%, this discount to be figured on the gross bills before deducting the prompt payment discount.

Issued: January 1st, 1930 — Effective February 1st, 1930

Issued by Alex Dow, President
2000 Second Ave., Detroit, Michigan

M. P. U. C. No. 9 THE DETROIT EDISON COMPANY

First Revised Sheet No. 9

Canceling Original Sheet No. 9

(Adding paragraph concerning Outdoor Advertising Companies, and adding 25-watt and 150-watt sizes to list of lamps renewed without charge)

GENERAL RULES

(6) LAMPS, PATROL SERVICE, ETC.

LAMPS. Original installations of incandescent lamps are bought and owned by customers, EXCEPT that in each residence when connected for the first time to the Company's lines, we furnish, free, 75, 50-watt or 60-watt Mazda lamps or such less number as may be necessary to equip the residence. The Company sells Mazda lamps, for use on its circuits, at list prices. It furnishes to customers paying Lighting Rates, (except Open Air Amusement Parks Rates), renewals of 60-watt, 50-watt, 40-watt, 100-watt, and 150-watt Mazda lamps free, and renewals of some other sizes at reduced prices. Further information, and renewal prices in effect from time to time are given on the Company's Lamp Card, which is furnished to customers upon request.

Renewal prices are payable in addition to the return of the burned out lamps to the Company.

Renewals of lamps are furnished at the Company's offices; or, in the Detroit District, will be delivered, on request of the customer, to his premises.

PATROL SERVICE.—In the Detroit District the Company's patrolmen are on duty twenty-four hours a day every day in the year, and will respond to emergency calls from customers. In the Eastern Michigan District similar patrol service is maintained during the day and early evening hours.

The patrolmen make such repairs on customers' premises as do not require the furnishing of any materials, other than replacements of burned out plug fuses, up to 30 amperes, ferrule type fuses of 35 to 60 amperes, and knife blade fuses of 70, 100 and 125 ampere capacity. When the conditions require wiring, contractors' labor or materials, the patrolmen will disconnect the circuits causing the trouble, and notify customer that the trouble should be taken care of by an electrical wiring firm.

Under Power Service agreements by which patrol service is expressly excluded, the Company does not furnish this service; nor under the rate for Auxiliary Service. To Residence Service customers and customers served at Lighting Rates, (except Open Air Amusement Parks Rates), the Patrol service is free.

OUTDOOR ADVERTISING COMPANIES who buy current under the Company's Standard Lighting Contracts (Rate Sheets Nos. 11 and 12, M.P.U.C. No. 9) for lighting of outdoor advertising displays installed and leased by them, and who elect to furnish at their own expense the renewal of lamps and the patrol service which would otherwise be furnished by the Company under this Rule, will be given an additional discount of 6%, this discount to be figured on the gross bills before deducting the prompt payment discount.

Issued: October 27th, 1926 Effective: On bills payable on and after December 1st, 1926

Issued by Alex Dow, President
2000 Second Ave., Detroit, Michigan

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M. P. U. C. No. 9 THE DETROIT EDISON COMPANY

Original Sheet No. 9

GENERAL RULES

(6) LAMPS, PATROL SERVICE, ETC.

LAMPS. Original installations of incandescent lamps are bought and owned by customers, EXCEPT that in each residence when connected for the first time to the Company's lines, we furnish, free, 75, 50-watt or 60-watt Mazda lamps or such less number as may be necessary to equip the residence. The Company sells Mazda lamps, for use on its circuits, at list prices. It furnishes to customers paying Lighting Rates, (except Open Air Amusement Parks Rates), renewals of 60-watt, 50-watt, 40-watt, 100-watt, and 150-watt Mazda lamps free, and renewals of some other sizes at reduced prices. Further information, and renewal prices in effect from time to time are given on the Company's Lamp Card, which is furnished to customers upon request.

Renewal prices are payable in addition to the return of the burned out lamps to the Company.

Renewals of lamps are furnished at the Company's offices; or, in the Detroit District, will be delivered, on request of the customer, to his premises.

PATROL SERVICE.—In the Detroit District the Company's patrolmen are on duty twenty-four hours a day every day in the year, and will respond to emergency calls from customers. In the Eastern Michigan District similar patrol service is maintained during the day and early evening hours.

The patrolmen make such repairs on customers' premises as do not require the furnishing of any materials, other than replacements of burned out plug fuses, up to 30 amperes, ferrule type fuses of 35 to 60 amperes, and knife blade fuses of 70, 100 and 125 ampere capacity. When the conditions require wiring, contractors' labor or materials, the patrolmen will disconnect the circuits causing the trouble, and notify customer that the trouble should be taken care of by an electrical wiring firm.

Under Power Service agreements by which patrol service is expressly excluded the Company does not furnish this service; nor under the rate for Auxiliary Service. To Residence Service customers and customers served at Lighting Rates, (except Open Air Amusement Parks Rates), the patrol service is free.

Issued: December 28th, 1933 Effective: January 1st, 1934

Issued by Alex Dow, President
2000 Second Ave., Detroit, Michigan

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Exhibit "1"

M. P. U. C. No. 1 THE DETROIT EDISON COMPANY

Original Sheet No. 8

RULES AND REGULATIONS

(6) LAMPS, PATROL SERVICE, ETC.

Original installations of incandescent lamps are bought and owned by customers, except that to each residence newly wired and connected for the first time to our lines we furnish, free, 25 10-watt Mazda lamps or such less number as may be necessary to equip the residence. We sell Mazda lamps, for use on our circuits, at list prices, to customers paying lighting rates. We furnish to those customers, renewals of 10-watt and 60-watt Mazda lamps free, and renewals of other sizes at reduced prices. Further information and renewal prices in effect from time to time are given on the Company's Lamp Card, which is furnished to customers upon request.

Renewal prices are payable in addition to the return of the burned out lamps to the Company.

Renewals may be made at the Company's offices, or, in the Detroit District, will be delivered, on request of the customer, to his premises.

All lamp ratings are given in watts, in accordance with modern engineering practice. Lamps are now labeled according to the energy required to operate them, instead of in candle power, as formerly.

In the Detroit District the Company's patrolmen are on duty twenty-four hours a day every day in the year, and will respond to emergency calls from customers. In the Eastern Michigan Districts similar patrol service is maintained during the day and early evening hours.

Our patrolmen make such repairs on customers' premises as do not require the furnishing of materials, except fuses. We furnish replacements of burned out plug fuses, up to 30 amperes, Ferrule type fuses of 15 to 60 amperes, and knife blade fuses of 75, 100 and 125 ampere capacity. In case of grounded circuits or repairs requiring wiring contractors' labor or materials, our men will disconnect the circuits causing the trouble and notify customer that the trouble should be taken care of by a construction firm.

Under power service agreements, by which agreements patrol service is excluded, we do not furnish this service. To other customers the service is free.

Issued: August 1st, 1933 Effective: August 15th, 1933

Issued by Alex Dow, President
2020 Second Ave., Detroit, Michigan

Exhibit "1"

Second Revised Sheet No. 6
Cancelling First Revised Sheet No. 6
Showing Lamp Renewal Price Schedule

RULES AND REGULATIONS

(6) LAMPS, PATROL SERVICE, ETC.

Original installations of incandescent lamps are bought and owned by customers, except that to each residence newly wired and connected for the first time to our lines we furnish, free, 25 10-watt Mazda lamps or such less number as may be necessary to equip the residence. We sell Mazda lamps, for use on our circuits, at list prices, to customers paying lighting rates. We furnish to those customers, renewals of 10-watt, 60-watt and 100-watt Mazda lamps free, and renewals of other sizes at reduced prices. Further information and renewal prices in effect from time to time are given on the Company's Lamp Card, which is furnished to customers upon request.

Renewal prices are payable in addition to the return of the burned out lamps to the Company.

Renewals may be made at the Company's offices, or will be delivered, on request of the customer, to his premises.

All lamp ratings are given in watts, in accordance with modern engineering practice. Lamps are now labeled according to the energy required to operate them, instead of in candle power, as formerly.

No lamps are furnished for auxiliary service for private plants.

The Company's patrolmen are on duty twenty-four hours a day every day in the year, and will respond to emergency calls from customers.

Our patrolmen make such repairs on customers' premises as do not require the furnishing of materials, except fuses. We furnish replacements of burned out plug fuses, up to 30 amperes, ferrule type fuses of 15 to 60 amperes, and knife blade fuses of 75, 100 and 125 ampere capacity. In case of grounded circuits or repairs requiring wiring contractors' labor or materials, our men will disconnect the circuits causing the trouble and notify customer that the trouble should be taken care of by a construction firm.

Under term power agreements, by which agreements patrol service is excluded, we do not furnish this service. To other customers the service is free."

Issued: March 1st, 1930 Effective: March 15th, 1930

Issued by Alex Dow, President
13 Washington Boulevard, Detroit, Michigan

Exhibit "1"

The Detroit Edison Company — Applying to City of Detroit

M. R. C. No. 1

First Revised Sheet No. 6
Cancelling Original Sheet No. 6
(Changing Lamp Renewal Schedule)

RULES AND REGULATIONS

(1) LAMPS, PATROL SERVICE, ETC.

Original installations of incandescent lamps are bought and owned by Customers, except that in each residence newly wired and connected for the first time to our lines we furnish, free, 25 10-watt Mazda lamps or such less number as may be necessary for the equipment. We sell Mazda lamps at list prices to Customers paying lighting rates, for use on our circuits. We furnish renewals to these Customers at the following prices per lamp:

TYPE S

10 Watt Detroit Edison Standard Mazdas	35c each
25 Watt Detroit Edison Standard Mazdas	35c each
40 Watt Detroit Edison Standard Mazdas	Free
60 Watt Detroit Edison Standard Mazdas	Free
100 Watt Detroit Edison Standard Mazdas	Free

TYPE C

250 Watt	50c each
400 Watt	50c each

These renewal prices are payable in addition to the return to us of the burned out Mazda lamp.

No lamps are furnished for auxiliary service for private plants.

The Company's patrolmen are on duty twenty-four hours a day every day in the year and will respond to emergency calls from customers.

Our patrolmen make such repairs on Customers' premises as do not require the furnishing of materials, except stock fuses. We furnish replacements of burnt and plug fuses, up to 30 amperes, ferrule type fuses of 35 to 60 amperes, and knife blade fuses of 70, 100 and 125 ampere capacity. In case of grounded circuits or repairs requiring wiring contractors' labor or materials, our men will disconnect the circuits causing the trouble and notify Customer that the trouble should be taken care of by a construction firm.

Under term power agreements, by which agreements patrol service is excluded, we do not furnish this service. To other Customers the service is free.

Issued: June 18th, 1913 — Effective: July 1st, 1913

Issued by Alex Dow, President
10 Washington Boulevard, Detroit, Michigan

Exhibit "1"

The Detroit Edison Company — Applying to City of Detroit

M. R. C. No. 1

Original Sheet No. 6

RULES AND REGULATIONS

(1) LAMPS, PATROL SERVICE, ETC.

Original installations of incandescent lamps are bought and owned by Customers, except that in each residence newly wired and connected for the first time to our lines we furnish, free, 20 10-watt Mazda lamps or such less number as may be necessary for the equipment. We sell Mazda lamps at list prices to Customers paying lighting rates, for use on our circuits. We furnish renewals to these Customers at the following prices per lamp:

10 Watt Detroit Edison Standard Mazdas	Free
25 Watt Detroit Edison Standard Mazdas	Free
100 Watt Detroit Edison Standard Mazdas	Free
25 Watt Detroit Edison Standard Mazdas	35c each
150 Watt Detroit Edison Standard Mazdas	50c each
250 Watt Detroit Edison Standard Mazdas	50c each

These renewal prices are payable in addition to the return to us of the burned out Mazda lamp.

No lamps are furnished for auxiliary service for private plants.

The Company's patrolmen are on duty twenty-four hours a day every day in the year and will respond to emergency calls from customers.

Our patrolmen make such repairs on Customers' premises as do not require the furnishing of materials, except stock fuses. We furnish replacements of burnt and plug fuses, up to 30 amperes, ferrule type fuses of 35 to 60 amperes, and knife blade fuses of 70, 100 and 125 ampere capacity. In case of grounded circuits or repairs requiring wiring contractors' labor or materials, our men will disconnect the circuits causing the trouble and notify you that the trouble should be taken care of by a construction firm.

Under term power agreements, by which agreements patrol service is excluded, we do not furnish this service. To other Customers the service is free.

Issued: April 1st, 1913 — Effective: May 1st, 1913

Exhibit #2 to Plaintiff's Memorandum in Opposition to Defendant's Motion for Summary Judgment filed March 11, 1974, Being an advertisement by Edison of the lamp program. This document was also described as Deposition Exhibit #7.

Jim Lansing

LAMP INSTALLATION AND RENEWAL POLICY

Installations

Original installations of incandescent lamps are bought and owned by customers except that to each residence newly wired and connected for the first time to our lines, we furnish, free, thirty Mazda lamps or such less number as may be necessary for its equipment. The lamp sizes shall be selected to fit the needs of the residence in accordance with modern good lighting practice.

Renewals

Customers being served by The Detroit Edison Company with current for lighting purposes and at lighting rates (except Open Air Amusement Park rates) are entitled to renewals without charge of 25, 40, 60, 100, 150, 200 and 300 watt lamps upon presentation at one of the Company's offices or authorized lamp renewal agencies of an unbroken, burned-out standard make Mazda lamp.

FORM 8ª 217

83 J. Lansing

STANDARD MAZDA LAMP PRICE LIST

THE DETROIT EDISON COMPANY

1932

File

Lamp Size	Standard Package Quantities	Sale Price Clear	Sale Price Inside Frost	Renewal Charge*
15 watt	120		$ .20	$ .20
25 watt	120		.20	Free
40 watt	120		.20	Free
60 watt	120		.20	Free
100 watt	60		.35	Free
150 watt	24	$ .60	.65	Free
200 watt	24	.80	.85	Free
300 watt	24	1.25	1.35	Free
500 watt	12	2.00	2.15	$2.15

* Note Renewal Policy on back page

DISCOUNTS

In lots of six or more lamps (including assorted sizes) 10%
Standard package lots 15%

COST OF CURRENT USED BY MAZDA LAMPS AT 5c PER KWH

The residence rate averages less than 5c per KWH.

	15w	25w	40w	60w	100w
COST OF CURRENT USED FOR 1 HOUR	1/13¢	1/8¢	1/5¢	1/3¢	1/2¢
NUMBER OF HOURS LAMP WILL BURN FOR 1 CENT	13¼	8	5	3¼	2

Exhibit #3 to Plaintiff's Memorandum in Opposition to Defendant's Motion for Summary Judgment filed March 11, 1974, Being a letter from G. L. Lahodny, Edison Vice President to new customers. This document was Plaintiff's Deposition Exhibit #6.

(Letterhead of Detroit Edison Company)

We are pleased . . .

. . . to have added your name to the growing list of people we serve. It is our understanding that this is the first time you have had an account with us.

Enclosed is some information about Edison services. You will note that we exchange burned-out incandescent light bulbs and some appliance cords on a no charge basis. We also repair electric water heaters, ranges, dryers, incinerators and most small appliances. There is no charge for electric operating parts on the large appliances listed and new parts for small appliances are furnished at list price. In either case, there is no charge for labor.

Would you look over the enclosed bill to be sure that your name and mailing address are correct as shown? Also, if you have had an account with us previously, would you let us know the approximate date the account was closed and the last address at which we served you, so that we can update our records? A note in the margin or on the back of this letter, returned in the enclosed envelope will suffice.

Detroit Edison considers it a privilege to serve you. Please stop in at one of our offices, or call us, any time we can be of help or can tell you more about living better . . . electrically.

Cordially,

(s) G. L. Lahodny
G. L. Lahodny
Executive Vice-President
for Marketing

encls.

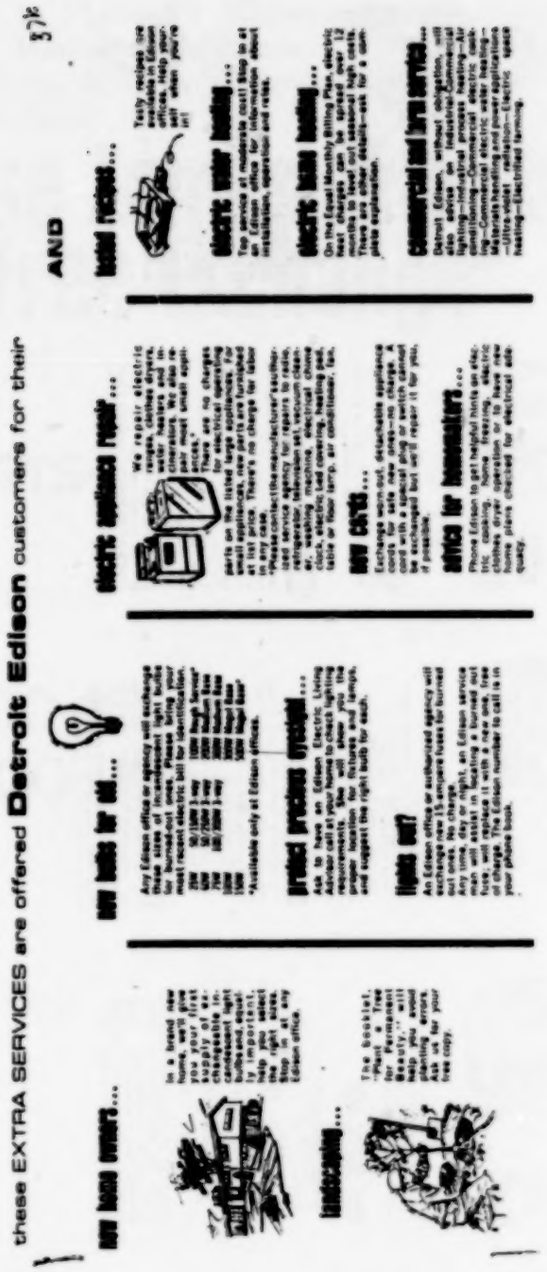


Exhibit "3"

INFORMATION OF LASTING VALUE ABOUT EDISON...

office hours...

You can take care of any business with Edison at any of our convenient offices. To locate the nearest one, check the phone book.
HOURS: 8:30-5:00, Monday thru Friday, except holidays.

phone us in any of these situations

When lights go out. Give us the address and nearest cross street.
If an overhead wire breaks. Be sure to stay away from it. Help other people stay away from it. To pick up or move a hanging or fallen wire.
If you need any service when our offices are not open.
When you move out. Please give at least 3 days' notice in closing your present account.
When you move in to a home previously occupied by someone else.
When you want electric service in a brand new home. Please give 3-4 weeks' notice in this case.

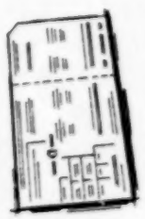
rates...

DOMESTIC SERVICE RATE
For two months service.
First 30 kilowatt hours (kwhrs)—$3.00
Next 170 kwhrs @ 3.5¢ each
Next 200 kwhrs @ 2.5¢ each
Next 600 kwhrs @ 1.9¢ each
1.7¢ per kwhr for the excess.
Minimum two-month bill—$3.00
Subject to 4% Michigan Sales Tax.
Plus ½% Detroit Utility Users Tax where applicable. Less 3% discount for prompt payment.

ALL-ELECTRIC DOMESTIC RATE
with complete electric heat and electric water heating. Available on new copy this rate. Details at any Edison office.
For two months service.
First 30 kwhrs—$3.00
Next 170 kwhrs @ 3.5¢ each
Next 200 kwhrs @ 2.5¢ each
Next 600 kwhrs @ 2.1¢ each
Next 600 kwhrs @ 1.9¢ each
1.5¢ per kwhr for the excess.
Minimum two-month bill—$3.00
Subject to 4% Michigan Sales Tax.
Plus ½% Detroit Utility Users Tax where applicable. Less 3% discount for prompt payment.
(Note: Electric water heating not included above. Rates given apply when water heating is separately metered and billed.)

your credit...

Our customers use electricity and pay for it every month—others who have not formed a cash deposit may be asked for one if payment of a bill becomes overdue.



your electric bills

Residential bills are mailed every two months, and cover two months' service. The first bill to a new address may be for somewhat more or less than two months' service. Bills may be paid by mail or at any Edison office or authorized agency.

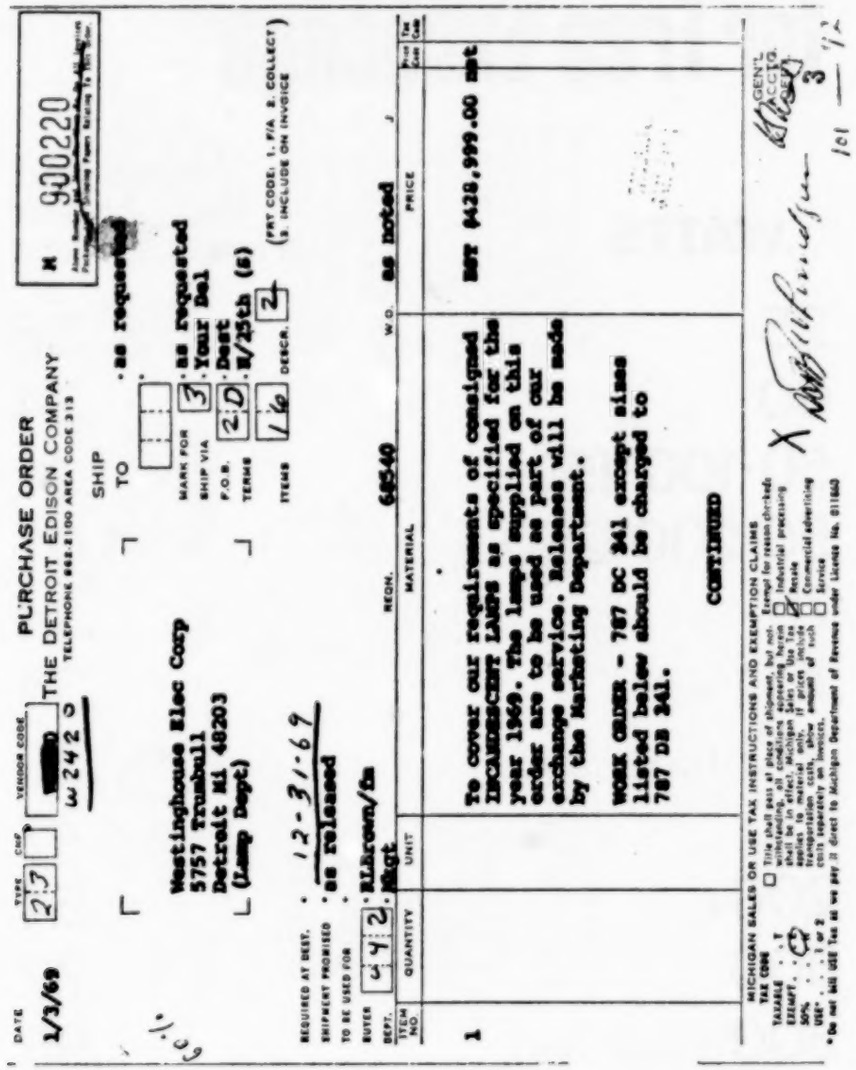
Exhibit "4"

Exhibit #4 to Plaintiff's Memorandum in Opposition to Defendant's Motion for Summary Judgment filed March 11, 1974, Being a display placard placed in distribution centers by Edison.

These Lamps Available for Free Exchange

WATTS	Additional Lamps May Be Purchased at Prices Listed Below
25	$ .36
60	.34
50·100·150	.91
50·200·250	1.01
75	.34
100	.34
100 (rough service)	.52
150	.47
200	.54
300	.77
300 (large base)	.98
500	1.40

Exhibit #5 to Plaintiff's Memorandum in Opposition to Defendant's Motion for Summary Judgment filed March 11, 1974, Being samples of light bulb purchase orders issued by Edison to bulb suppliers. These documents were Plaintiff's Deposition Exhibit #5.



PURCHASE ORDER
THE DETROIT EDISON COMPANY
TELEPHONE 962-2100 AREA CODE 313

N 900220

DATE 1/3/69 — TYPE 2:3 — CSP — VENDOR CODE W2423

SHIP TO · as requested

Westinghouse Elec Corp
5757 Trumbull
Detroit MI 48203
(Lamp Dept)

MARK FOR · 3 · as requested
SHIP VIA · Your Del
F.O.B. · 2:D · Dest
TERMS · 1:6 · 2% 15th
ITEMS 2 DESCR. (PAY CODE: 1. P/A 2. COLLECT 3. INCLUDE ON INVOICE)

REQUIRED AT DEST. · 12-31-69
SHIPMENT PROMISED · as released
TO BE USED FOR ·
BUYER · 64 2 · RLBrown/dm
DEPT. · Mgt

REQN. 66540 W.O. as noted

ITEM NO	QUANTITY	UNIT	MATERIAL	PRICE
1			To cover our requirements of INCANDESCENT LAMPS as specified for the year 1969. The lamps supplied on this order are to be used as part of our exchange service. Releases will be made by the Marketing Department. WORK ORDER - 787 DC 341 except sizes listed below should be charged to 787 DB 341. CONTINUED	EST $426,999.00 nte

MICHIGAN SALES OR USE TAX INSTRUCTIONS AND EXEMPTION CLAIMS
TAX CODE
TAXABLE . . 1
EXEMPT . . 2
50% . . . 3
USE* . . . 4 or 5
☐ Title shall pass at place of shipment, but sub. to withholding, all conditions appearing hereon shall be in effect, Michigan Sales or Use Tax applies to material only. If price includes taxes, state amount of such taxes separately on invoices.
Exempt for reason checked:
☐ Industrial processing
☐ Resale
☐ Commercial advertising
☐ Service
* Do not bill USE Tax as we pay it direct to Michigan Department of Revenue under License No. 011560

GEN'L ACCTG.

PURCHASE ORDER
THE DETROIT EDISON COMPANY
TELEPHONE 962-2100 AREA CODE 313

N 010621

SHIP TO · As requested

Sylvania Electric Products
10300 Ford Road
Dearborn, Michigan

MARK FOR · As requested
SHIP VIA 3 · Your delivery
F.O.B. 2:F · Destination
TERMS · 2% 15th
ITEMS 14 DESCR. 2 (PAY CODE: 1. P/A 2. COLLECT 3. INCLUDE ON INVOICE)

12-31-70

· As requested
· As released
· R.L. Brown/am Marketing

REQN. 51196 W.O. See note below

QUANTITY	UNIT	MATERIAL	PRICE
		To cover our requirements of INCANDESCENT LAMPS as specified for the year 1970. The lamps supplied on this order are to be used as part of our exchange service. Releases will be made by the Marketing Dept. WORK ORDER:: 787 DC 341 except sizes listed below should be charged to 787 DB341. 100PS 300H/IF (medium) 300IF (mogul) 500IF CONTINUED	Est. $104,609.00 nte

MICHIGAN SALES OR USE TAX INSTRUCTIONS AND EXEMPTION CLAIMS
☐ Title shall pass at place of shipment, but sub. to withholding, all conditions appearing hereon shall be in effect. Michigan Sales or Use Tax applies to material only. If price includes taxes, state amount of such taxes separately on invoices.
Exempt for reason checked:
☐ Industrial processing
☐ Resale
☐ Commercial advertising
☐ Service
* Do not bill USE Tax as we pay it direct to Michigan Department of Revenue under License No. 011560

GEN'L ACCTG.

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Exhibit "5"

Sylvania Electric Products M-010221

1	1	25A/3	802-0025	$ .28 ea. 57%
2	1	50A/3	802-0050	$ .27 ea.
3	1	75A/3	802-0075	$ .27 ea.
4	1	50/250A/3W	802-0097	$ .79 ea.
5	1	100/A3	802-0100	$ .27 ea.
6	1	50/150/3	802-0105	$ .61 ea.
7	1	150A/3	802-0150	$ .38 ea.
8	1	200A/3	802-0200	$ .40 ea.
9	223,190	100-300-3	802-0250	$1.09 ea.
10	1	300/IF/3 (mogul)	802-0300	$ .75 ea.
11	1	500/IF/3	802-0305	$1.15 ea.
12	1	300A/I/IF/3	802-0310	$ .60 ea.
13	1	100A21/RS/3	802-0012	$ .54 ea.
	1	.75 H/K S	All each Less 57%	.010 FIRM PRICE

94

Exhibit "5"

PURCHASE ORDER
THE DETROIT EDISON COMPANY
TELEPHONE 868-2100 AREA CODE 313

M 900219

DATE 1-3-69 TYPE 23 TERMS CODE G 1080

SHIP TO
General Electric Co
Lamp Division
15135 Wyoming
Detroit MI 48303

MARK FOR 3
SHIP VIA Your del
F.O.B. Dest
TERMS 20 2/10th (E)
ITEMS 1 DESCR. 2 (FRT CODE: L, F/A, P, COLLECT; S, INCLUDE ON INVOICE)

REQUIRED AT REST. : As requested
SHIPMENT PROMISED : As requested
TO BE USED FOR : Re-released
BUYER 042 : Rikrone/jm
DEPT. : Marketing

W.O. As noted

ITEM NO.	QUANTITY	UNIT	REQN. 68541 MATERIAL	PRICE
			To cover our requirements of condenser LAMPS as specified for the year 1969. The lamps supplied on this order are to be used as part of our exchange service. Releases will be made by the Marketing Division.	Est $1,127,600.00
			WORK ORDERS, 787 DC 341 except sizes listed below should be charged to 787 DB 341.	FAB PLATES:

—CONTINUED—

MICHIGAN SALES OR USE TAX INSTRUCTIONS AND EXEMPTION CLAIMS
TAX CODE ☐ This shall pass all State of Michigan Sales or Use Taxes. TAXABLE ☐ EXEMPT ☐ Sale to material which is exempt from Michigan Sales or Use Taxes. Transportation costs, when shown separately on invoice, are not subject to Michigan Sales or Use Taxes. USE ☐ 1 of 2
• Do not bill USE Tax as we pay it direct to Michigan Department of Revenue

GENL ACCTG KEEP 3

95

VENDOR: General Electric Co | P.O. N-900219 | PAGE 2

100 RS, 300M/IF (medium), 300IF (mogul), 500IF, 750T24BP, 1MT24BP

OLD NUMBER 787DC341

ITEM	QUANTITY	UNIT	MATERIAL			PRICE	Tax Code
1	772396		25A/S	802-0025	120V	$ .107	E
2	1		50A/S	802-0050	120V	$ .107	
3	1		75A19/S	802-0075	120V	$ .107	
7	1		50/250M/M	802-0097	120V	$ .296	
4	1		100A/S	802-0100	120V	$ .107	
6	1		50/150A	802-0105	120V	$ .254	
5	1		150A/S	802-0150	120V	$ .142	
8	1		200A/S	802-0200	120V	$ .164	
9	1		100/300	802-0250	120V	$ .426	
13	1		300/IF	802-0300	120V	$ .323	
14	1		500/IF	802-0305	120V	$ .494	
12	1		300M/S/IF	802-0310	120V	$ .254	

all item 6%

TABULATED

787DC341 787DB341 787DC341 787DC341 787DC341 787DC341 787DC341 787DC341 787DB341 787DB341 787DB341

DE FORM PD 250 9-66

-CONTINUED-

96 1

280a
Exhibit "5"

VENDOR: General Electric Co | P.O. N-900219 | PAGE 3

ITEM	QUANTITY	UNIT	MATERIAL			PRICE	Tax Code
15	1		750T24	802-0375	120V	$3.22	E
16	772396		1M/T24	802-0380	120V	$3.65	
11	1		100A/BP	802-0012	120V	$ .194	
10	1		75/A/RS	787DB341		.00	

All item 6%

All each LESS 6%

FIRM PRICE

787DB341 787DB341 787DB341

DE FORM PD 250 9-66

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281a
Exhibit "5"

DATE 1-3-69 | TYPE 23 | CHG | VENDOR CODE 58320

PUP ASE ORDER
THE DETROIT EDISON COMPANY
TELEPHONE 962-2100 AREA CODE 313

M 900221
Above Number Must Appear On All Invoices, Packages, and Shipping Papers Relating To This Order.

SHIP TO • As requested

Sylvania Electric Products
10800 Ford Road
Dearborn Mi

MARK FOR
SHIP VIA 3 • As requested
F.O.B. • Your del
TERMS 2F • Dest
ITEMS 14 DESCR. 2 • 2% 15th

(FRT CODE: 1. F/A 2. COLLECT 3. INCLUDE ON INVOICE)

REQUIRED AT DEST. 12-31-69
SHIPMENT PROMISED • As requested
TO BE USED FOR • As released
BUYER 042 • RLBrown/jn
DEPT. • Marketing

REQN. 68539 W.O. As noted

ITEM NO.	QUANTITY	UNIT	MATERIAL	PRICE	Price Code	Tax Code
			To cover our requirements of INCAN-DESCENT LAMPS as specified for the year 1969. The lamps supplied on this order are to be used as part of our exchange service. Releases will be made by the Marketing Dept. WORK ORDER: 787 DC 341 except sizes listed below should be charged to 787 DB 341. 100 RS 300W/IF (medium)	Est $184,524.00 .516 TABULATED JAN 10 [illegible] -CONTINUED-		

MICHIGAN SALES OR USE TAX INSTRUCTIONS AND EXEMPTION CLAIM

TAX CODE
TAXABLE . . T
EXEMPT . . 0
50% . . . 1 or 2
USE* . . . 1 or 2

☐ Title shall pass at place of shipment, but notwithstanding, all conditions appearing herein shall be in effect. Michigan Sales or Use Tax applies to material only. If prices include transportation costs, show amount of such costs separately on invoices.

Exempt for reason checked:
☐ Industrial processing
☑ Resale
☐ Commercial advertising
☐ Service

* Do not bill USE Tax as we pay it direct to Michigan Department of Revenue under License No. 011860

X [signature]

GEN'L ACCTG. DEPT. 3

282a
Exhibit "5"

VENDOR Sylvania Electric Products | P.O. M-900221 | PAGE 2

ITEM	QUANTITY	UNIT	MATERIAL	PRICE	Tax Code
			300 IF 500 IF OLD NUMBER 8-3209	all new 57%	
1	1		25A/3 7870-741 802-0025	$ .25 ea	E
2	1		50A/3 802-0050	$ .25 ea	
3	1		75A/3 802-0075	$ .25 ea	
07	1		50/250W/3W 802-0097	$ .72 ea	
04	1		100/A3 802-0100	$ .25 ea	
6	1		50/150/3 802-0105	$ .59 ea	
05	1		150A/3 802-0150	$ .35 ea	
07	1		200A/5 802-0200	$ .37 ea	
08	1		100/300/3 802-0250	$ .99 ea	
13	1		300/IF (medium) 7870-1341 802-0300	$ .75 ea	
14	357,605		500/IF 802-0305	$1.20 ea	

-CONTINUED-

DE FORM PD 200 9-68

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283a
Exhibit "5"

VENDOR **Sylvania Electric Products** P.O. **M-900221** PAGE **3**

ITEM	QUANTITY	UNIT	MATERIAL	PRICE
			787DB341	all less 57%
12	1		300M/I/IF 802-0310	$ .55 ea
11	1		100A21/RS 802-0012	$ .43 ea
10	1		754/RS	0.43 All each LESS 57%
				FIRM PRICE

INSULATED

DE FORM PO-DHO 9-66

284a
Exhibit "5"

DATE **1/3/69** TYPE **2** **7** CNF [ ] VENDOR CODE [redacted] **W2420**

PURCHASE ORDER
THE DETROIT EDISON COMPANY
TELEPHONE 868-8100 AREA CODE 313

M **900220**

SHIP TO **as requested**

Westinghouse Elec Corp
5757 Trumbull
Detroit Mi 48203
(Lamp Dept)

MARK FOR **as requested**
SHIP VIA **3** **Your Del**
F.O.B. **2** **D** **Dest**
TERMS **2** **M/25th (S)**
ITEMS **1** **6** DESCR. **2** (FRT CODE: 1. F/A 2. COLLECT 3. INCLUDE ON INVOICE)

REQUIRED AT DEST. **12-31-69**
SHIPMENT PROMISED **as released**
TO BE USED FOR
BUYER **4** **4** **2** **RLBrown/fm**
DEPT. **Mkgt**
REQN. **68540** W.O. **as noted**

ITEM NO.	QUANTITY	UNIT	MATERIAL	PRICE
1			To cover our requirements of consigned INCANDESCENT LAMPS as specified for the year 1969. The lamps supplied on this order are to be used as part of our exchange service. Releases will be made by the Marketing Department. WORK ORDER - 787 DC 341 except sizes listed below should be charged to 787 DB 341. CONTINUED	EST $428,999.00 net

MICHIGAN SALES OR USE TAX INSTRUCTIONS AND EXEMPTION CLAIMS

TAX CODE
TAXABLE . . 1
EXEMPT . . 2
50% . . . 3
USE* . . . 1 or 2

☐ Title shall pass at place of shipment, but not withstanding, all conditions appearing herein shall be in effect. Michigan Sales or Use Tax applies to material only. If prices include transportation costs, show amount of such costs separately on invoice.

Exempt for reason checked:
☐ Industrial processing
☑ Resale
☐ Commercial advertising
☐ Service

*Do not bill USE Tax as we pay it direct to Michigan Department of Revenue under License No. 011063

X [signature] GENL ACCTG

285a
Exhibit "5"

VENDOR Westinghouse Elec Corp P.O. M-900220 PAGE 2

ITEM	QUANTITY	UNIT	MATERIAL		PRICE	Price Code	Tax Code
			100 RS 300M/IF (medium) 300 IF (megul) 500 IF 750 T 24 RP 1MF24RP	OLD NUMBER 8002OP	all less 60%		
1	429003		25A/6	802-0025 7A70C341	$ .25 each		E
2	1		50/A6	802-0050	.25 each		
3	1		75/A6	802-0075	.25 each		
7	1		50/250M/6	802-0097	.72 each		
4	1		100A/M6	802-0100	.25 each		
6	1		50/150M/6	802-0105	.59 each		
5	1		150A/M6	802-0150	.35 each		

CONTINUED

TABULATED 1 TO 1000

DE FORM PD 200 9-66

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286a
Exhibit "5"

VENDOR Westinghouse Elec Corp P.O. M-900220 PAGE 3

ITEM	QUANTITY	UNIT	MATERIAL		PRICE	Price Code	Tax Code
					all less 60%		
9	1		200A/M6	802-0200 7870C341	$ .37 each		E
8	1		100/300P825	802-0250 7870C341	.99 each		
13	1		300/IF	802-0300 7870B341	.75 each		
14	1		500/IF	802-0305	1.20 each		
12	1		300M/1/IF	802-0310	.55 each		
15	1		750T24	802-0375	8.00 each		
16	1		1MF24	802-0380	8.50 each		
11	1		100A21/RS	802-0012	.43 each		
10	1		75A/RS		ALL LESS 60% FIRM PRICE		

TABULATED 1 TO 1000

DE FORM PD 200 9-66

103

287a
Exhibit "5"

PURCHASE ORDER CHANGE

THE DETROIT EDISON COMPANY
2000 SECOND AVENUE
DETROIT, MICHIGAN 48226

Westinghouse Elec Corp
5757 Trumbull
Detroit Mi 48203
(Lamp Dept)

PURCHASE ORDER NO. M 900220
DATED 1/3/69
CHANGE ORDER NO. 3
DATE 2/24/69

BUYER · RLBrown/cm
DEPARTMENT · Mkgt
LOCATION · All Offices REGN 68540 W.O. As Noted ~~Blank~~

PLEASE CHANGE Cash Terms (ITEM NO. (AND EDISON NO., IF ANY)) ON THE ABOVE PURCHASE ORDER AS SHOWN:

☐ QUANTITY ☐ PRICE ☐ CANCEL ☐ CONSIDER COMPLETE ☐ _____

FROM 2%/25th (S) TO 2% 10th Prox

DE FORM PO-55 10-67

R. C. BOUSE, DIRECTOR OF PURCHASES

THIS CHANGE ORDER HEREBY BECOMES A PART OF THE ORIGINAL PURCHASE ORDER AND IS SUBJECT TO ALL OF THE CONDITIONS SPECIFIED THEREON.

BY _____

GENERAL ACCOUNTING DEPT.
3 104

PURCHASE ORDER CHANGE

THE DETROIT EDISON COMPANY
2000 SECOND AVENUE
DETROIT, MICHIGAN 48226

Westinghouse Elec Corp
5757 Trumbull
Detroit Mi 48203
(Lamp Dept)

PURCHASE ORDER NO. M 900220
DATED 1/3/69
CHANGE ORDER NO. 2
DATE 2/4/69

BUYER · RLBrown/cm
DEPARTMENT · Mkgt
LOCATION · All offices REGN 68540 W.O. _____

PLEASE CHANGE Cash terms (ITEM NO. (AND EDISON NO., IF ANY)) ON THE ABOVE PURCHASE ORDER AS SHOWN:

☐ QUANTITY ☐ PRICE ☐ CANCEL ☐ CONSIDER COMPLETE ☐ _____

FROM M/25th (S) TO 2%/25th (S)

DE FORM PO-55 10-67

R. C. BOUSE, DIRECTOR OF PURCHASES

THIS CHANGE ORDER HEREBY BECOMES A PART OF THE ORIGINAL PURCHASE ORDER AND IS SUBJECT TO ALL OF THE CONDITIONS SPECIFIED THEREON.

BY _____

GENERAL ACCOUNTING DEPT.
3 105

Exhibit #7 to Plaintiff's Memorandum in Opposition to Defendant's Motion for Summary Judgment filed March 11, 1974, Being a "Resume of the 1955 Customer Survey by Central Surveys Inc." This document was Plaintiff's Deposition Exhibit #9.

THE DETROIT EDISON COMPANY

Economic Analysis

MIDDLE WEST SERVICE COMPANY
Twenty North Wacker Drive
CHICAGO

This total is broken down as follows:

Labor Expense	$4,896,000
Material and Supplies	2,897,000

Because of the excellent public reception of this policy, it is understandable that The Detroit Edison Company would consider any changes only after careful study.

However, the Company is faced with the necessity of improving its earnings. It may well be that a general rate increase is inevitable. If Detroit Edison could eliminate part of this free servicing, or charge for a part of it, the amount of necessary rate increase would be reduced correspondingly.

Consequently, it was decided to conduct a public opinion survey on the question. Central Surveys, Inc. of Shenandoah, Iowa, was employed for the purpose. The survey was made in January, 1955. Some of the results of the survey are of interest here.

69% of the people had favorable opinions of the electric rates. Only 27% were critical.

84% of the people are aware of the fact that The Detroit Edison Company provides free repair service. 70% of the people recall having used the free repair service.

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95% of the people have made use of the free light bulb exchange service. 58% of the people sometimes buy light bulbs.

Finally this question was asked: — "If the electric company had to make a choice between cutting out the free services, or raising the rates by about 75¢ a month — (that would be about $1.50 on the bill you receive every two months) — which would you rather they would do?"

(The 75¢ a month per customer on an annual basis would approximately equal the total cost of the free service).

The answers to this question were as follows:

	Total	Detroit	Outside Detroit
Cut out free service	51%	55%	45%
Raise rates	35	30	43
No opinion	14	15	12

Then this question was asked: — "Supposing they decided they could continue *one* of the free services, but had to cut out the others — which *one* free service would you rather see them keep?"

The answers to this question were as follows:

	Total	Detroit	Outside Detroit
Bulb Exchange	51%	54%	47%
Appliance Repairs	41	36	48
Fuse Replacement	3	4	1

	Total	Detroit	Outside Detroit
Appliance Cord Exchange	2	3	1
No Opinion	3	3	3

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From this survey and from our general conversations with a number of people in the Company, we have the following opinion and recommendations:

1. The Detroit Edison Company should continue the free lamp renewals. This is the service most desired by the public. This public attitude checks with another opinion survey on the same subject in another city. We believe that the free lamp renewal policy helps raise the wattage on lamps used, thus giving better lighting service to the public and resulting in lighting revenues to The Detroit Edison Company considerably above average.

2. It is our opinion that The Detroit Edison Company should continue the servicing of appliances but that a charge should be made for this service.

If this policy should be decided upon by the Company, the public should be fully informed prior to the effective date, carefully pointing out that the Company is faced with such economies as a means of avoiding or diminishing rate increases. Also, it should be mentioned that the decision was reached only after the public opinion survey.

It is believed that when the Company begins to charge for the servicing of appliances part of this servicing naturally will gravitate to dealers. We understand that dealers and independent service organizations now service refrigerators and washing machines and they may welcome • • •

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Exhibit #8 to Plaintiff's Memorandum in Opposition to Defendant's Motion for Summary Judgment filed March 11, 1974, Being Edison's 1970 Customer Survey. This document was Plaintiff's Deposition Exhibit #8.

Memorandum to Mr. Rod K. Herrick

Regarding: *Survey on Use of Customer Offices*

The attached *Survey on Use of Customer Offices* was conducted by Market Analysis during the first week in May, in connection with the study being done by the Customer Office Task Force. The Task Force believed that customer use patterns of DE offices were not incompatible with a new modernized and consolidated Customer Office structure, and it was felt that the Survey would provide factual information which would support this belief.

The results from the Survey indicated that the "average customer" visits an Edison office about three times per year; that there exists a small core of DE customers who have never visited a customer office; and that there exists a small core of DE customers who could be termed "very frequent" users of office services. The data also showed that the primary purpose for office use is for lamp exchange, with appliance repair next in importance and bill payment least important.

While some amount of inconvenience would be unavoidable by any reduction in the number of customer offices, the data indicates that all but the few very frequent users of offices would probably be accommodated by modern centrally-located "Edison Service Centers". This assumes that the "Service Centers" are easily accessible to high traffic shopping center areas, have adequate parking facilities, and provide "complete" customer services. This small group of repeat users who would be most seriously affected in spite of the advantages of the Service Centers, could adjust their habits to exchange bulbs less frequently or, in the case of bill payment, they could be satisfied by the continued use of banks as bill payment agencies. In addition, since the proposed Service Centers would provide

such services as same day appliance repair, the number of visits to the Edison office required per year by the "average" customer actually might be reduced.

In summary there is little evidence from the Survey on Use of Customer Offices which is unfavorable to the implementation of a new and modernized Customer Office structure.

(s) Matthew Piernick
Matthew Piernick
Market Analysis

MP/lk
Copies to: W. R. Milby
S. C. Hetu ✓
G. Matthews
D. Fierz
D. M. Hines

SURVEY ON USE OF CUSTOMER OFFICES

Market Analysis
May, 1970

CONTENTS

I. Purpose of Survey
II. Method
III. Results
A. Brief Summary of Data
B. Office Use
C. Agency Use
D. Bill Payment
E. Bulb Exchange
F. Small Appliance Repair
IV. Questionnaire and Instructions

I. *Purpose of Survey*

The purpose of the survey was to provide basic information on use of customer offices, which could be used by the Customer Office Task Force in conjunction with their study of our Customer Office structure. Areas of exploration included the frequency of use of Edison offices, the amount of use of agencies, and the degree and frequency of utilization of the various services offered in the customer offices.

II. *Method*

A telephone survey of 191 Detroit Edison residential customers from throughout our service area was made during the first week in May. The persons called were a representative sample drawn on a random basis from customer records.

The reliability of the survey results was illustrated by a "stabilization effect" in the data. This method consists of making a survey in parts; analyzing the data of one part; then adding consecutive parts and analyzing the cumulative data. As the results stabilize so that adding more parts will not change the picture significantly, it becomes clear that a larger sample size is unnecessary since it will not increase the reliability of the data significantly.

The Survey on Use of Customer Offices was done in such a manner. Following are examples comparing the results of Part A, containing 97 relies, with the cumulative results of Parts A and B, containing 191 replies. Note that there was very little difference between the two groups, making the addition of a third group unnecessary.

- 2 -

BUSINESS TRANSACTED LAST VISIT (%)

	Bulb Exchange	Pay Bill	Appl. Repair	Bulbs, Bill	Bulbs, Appl. Repair	All Three	Other
A & B	46.1	14.7	11.5	6.3	6.3	1.6	3.7
A	51.5	13.4	10.3	5.2	5.2	2.1	3.1

BULB EXCHANGE FREQUENCY PER YEAR (%)

	5 +-	4 Times	3 Times	2 Times	Once	Less Than Once/Year
A & B	4.2	4.7	9.9	29.8	26.7	11.5
A	4.1	6.2	9.3	32.0	26.8	10.3

APPLIANCE REPAIR FREQUENCY PER YEAR (%)

	4 +-	3 Times	2 Times	Once	Less Than 1	Never
A	0.0	3.1	9.3	23.7	40.2	23.7
A & B	0.5	2.6	9.4	21.5	35.6	30.4

HOW PAY BILLS? (%)

	Edison Only	Bank Only	Mail Only	Agency Only (Not Bank)	Comb. W/DE	Comb. W/Out DE
A	12.4	23.7	26.8	6.2	19.6	11.3
A & B	13.6	19.9	31.4	7.3	18.8	8.9

- 3 -

III. *Results*

A. *Brief Summary of Data*

— 35% of customers have visited a DE office in the last month,

— 38% of customers have not been in a DE office for at least 6 months, and

— 10% have *never* used DE offices

— The "average customer" exchanges bulbs twice per year,

— 6% of customers buy their bulbs at the store, and

— 5% exchange at agencies

— The "average customer" has a small appliance repaired less than once per year, and

— 30% of customers have *never* had an appliance repaired at a DE office

— Only 14% of customers pay bills exclusively at DE offices, and

— 68% *never* pay at DE offices.

- 4 -

B. *Office Use*

1. *Purpose of visits* — By asking the customer what business he transacted *on his last visit,* a representation of what an Edison office is usually used for was constructed. The results:

— 60% exchanged bulbs on their last visit

— 23% paid a bill on their last visit

— 19% had an appliance repaired on their last visit

— 4% visited for "other" reasons

— 10% had never visited an Edison office

2. *Frequency of visits* — By asking the customer when he had last visited an Edison office, the following results were obtained:

LAST VISIT

One Month Ago Or Less	2 - 5 Months	6 Months or More	Never
35%	27%	28%	10%

The customer was also asked, "How many times per year do you usually exchange bulbs at an Edison office?" Replies indicate 19% exchange bulbs 3 times per year or more, and 81% exchange them twice a year or less. A weighted average was constructed which showed that the "average customer" exchanges bulbs slightly less than twice per year. (In both this and the following example, the weighted averages were constructed excluding those who never used the service, making the average use figures slightly high.)

Another question was, "How many times per year do you usually have a small appliance repaired at an Edison office?" Thirty-four percent

replied with once a year or more, 36% answered less than once per year, and 30% said they never had a small appliance repaired at an Edison office. Again, a weighted average was constructed, which showed that the "average customer" had a small appliance repaired slightly less than once per year.

Assuming two visits to the Edison office for each appliance repair, and assuming that one of these visits coincided with a visit for bulb exchange, the "average" Edison customer visits a DE office about 3 times per year.

C. *Agency Use*

1. For bill payment — 20% of those surveyed use banks exclusively to pay their bill and 7% use other agencies.
2. For bulb exchange — 5% of those surveyed exchange bulbs at a DE agency.
3. For appliance repair — 2% of those surveyed use agencies for appliance repair purposes.

D. *Bill Payment*

1. Methods used for bill payment, overall:

— 14% of customers surveyed pay their bill only at a DE office.

— 20% pay only at a bank

— 31% pay only by mail

— 7% pay only at an Agency (not including banks)

— 19% use some combination of the above, *including* a DE office.

— 9% use a combination of the above *not* including a DE office.

Since only 14% *always* use a DE office for bill payment, it is presumed the other 86% will not be affected greatly by any reduction in offices as far as bill payment goes. It is felt that banks or mail service would most probably provide adequate convenience for those of the 14% who would be affected by any consolidation of offices.

2. Methods used for payment by Division: The following table presents percentage breakdown of how bills are paid, by division:

	DE Office Only	Bank Only	Mail Only	Agency Only (Exclude Bank)	Comb. With DE Office	Comb. Without DE Office
Detroit-Wayne	13%	29%	32%	3%	13%	10%
Oakland	18	6	24	12	27	12
Macomb	4	12	48	4	28	4
Ann Arbor-Monroe	15	0	31	23	23	8
Thumb	31	19	21	10	17	2
TOTAL	14%	20%	31%	7%	19%	9%

* This figure includes 37 interviews from a supplementary survey of the Thumb which was made in order to bolster data accuracy for that area. The totals however, covers only the 191 responses in the main survey.

Note that:

— The highest incidence of bill payment at a *DE office* is in the Thumb (31%).

— The highest incidence of bill payment *at a bank* is in Detroit-Wayne (29%).

— The highest incidence of bill payment *by mail* is in Macomb (48%).

— The highest incidence of bill payment in an *Agency* (not including banks) is in Ann Arbor-Monroe (23%).

3. As expected, the data also showed that those who use DE offices for bill payment also tend to utilize other office services more frequently than those who pay their bill by other means.

For example, people who always or sometimes pay their bill at an Edison office also utilize Detroit Edison's appliance repair service more frequently than those who never pay bills at Edison offices. However, it is unclear which is the cause and which is the effect among these factors. (See following table)

FREQUENCY OF APPLIANCE REPAIR (%)

Use of DE Office To Pay Bills	Never	Less Than 1 Per Year	1 Per Year	2 or More Per Year
Always and sometimes	15%	42%	24%	19%
Never	38%	33%	20%	9%
SAMPLE	58 (30%)	68 (36%)	41 (21%)	24 (13%)

In the same manner, the following table shows that those who pay their bills at an Edison office either some of the time or always, are also more likely to be frequent users of the bulb exchange service than those who never pay bills at a DE office:

Use of DE Office to Exchange Bulbs	Never	Less Than 1 Per Year	1 Per Year	2 Per Year	3 or More Per Year
Always and Sometimes	0	10%	24%	32%	34%
Never	19%	12%	28%	29%	12%
Sample	25 (13%)	22 (11%)	51 (27%)	57 (30%)	36 (19%)

E. *Bulb Exchange*

1. Methods used for exchange:

— 83% of those surveyed exchange bulbs at an Edison customer office.

— 6% purchase new bulbs

— 5% use an Edison agency to exchange bulbs

— 4% use some combination of the above, *including* exchange at an Edison office.

— 2% have never had occasion to get new bulbs.

2. Frequency of bulb exchange. As previously mentioned (under the section on Frequency of Office Visits) the following information was found on frequency of bulb exchange:

BULB EXCHANGE FREQUENCY PER YEAR

5 Times Or More	4 Times	3 Times	2 Times	Once	Less Than One Per Year	Never
4%	5%	10%	30%	27%	11%	13%

It was also mentioned that the "average customer" exchanged bulbs slightly less than twice per year (excluding those who *never* exchange). Following is a breakdown of average visits per year *by Division*:

— *Detroit-Wayne* customers exchange bulbs at an average of *1.6* times per year (about every 7½ months)

— *Macomb* customers exchange at an average of *1.9* times per year (about every 6 months)

— *Ann Arbor-Monroe* customers exchange at an average of *2.2* times per year (about every 5½ months)

— *Oakland* customers exchange at an average of *2.6* times per year (about every 4½ months)

— *Thumb* customers exchange at an average of *2.7* times per year (about every 4½ months)

This compared with a system-wide average of *1.9* times per year, which is about every 6 months.

F. *Small Appliance Repair*

1. Methods used for repair — *70%* of those surveyed had utilized the Detroit Edison Small Appliance Repair Service available at customer offices, and another *2%* had used a DE agency for this purpose. The remaining 28% had never used the Small Appliance Repair Service, either at a Customer Office or an Agency.

2. Frequency of appliance repair, overall and by Division. As mentioned previously, (under the section on frequency of office visits) the following information was found regarding frequency of small appliance repair:

SMALL APPLIANCE REPAIR FREQUENCY PER YEAR — (DE Office)

3 Times or More Per Year	2 Times	Once	Less Than One	Never
3%	9%	22%	36%	30%

It was also mentioned that the "average customer" had a small appliance repaired slightly less than once per year (excluding those who never used this service). Following is a breakdown of average appliance repair per year *by Division*:

— *Macomb* customers have a small appliance repaired on an average of *0.8* times per year (about every 15 months)

— *Detroit-Wayne* customers have a small appliance repaired on an average of *0.9* times per year (about every 13 months)

— *Oakland* customers also have an appliance repaired on an average of *0.9* times per year (about every 13 months)

— *Ann Arbor-Monroe* customers likewise have appliances repaired on an average of *0.9* times per year, or about every 13 months.

— *Thumb* customers have an appliance repaired on an average of *1.1* times per year, or about every 11 months.

3. *General*

As expected, it was found that customers who have had small appliances repaired at an Edison Customer Office are much more likely to have also used the Office for bill payment and bulb exchange on some occasion. Of those who *have* had appliances repaired, 92% have exchanged bulbs and 40% have paid a bill at an Edison office at least occasionally. On the other hand, of those who have *not* had an

appliance repaired at a DE office, only 60% have exchanged bulbs and only 16% have paid a bill there.

M. Piernick
7/9/70

SURVEY ON USE OF CUSTOMER OFFICES
APRIL 1970
INSTRUCTIONS TO INTERVIEWERS

This is a telephone survey being made to give us information about our Customer Offices and their use by our customers.

The questions should be asked of the respondent as they are written on the interview form. However, when clarification is needed by the respondent additional information can be given following the guidelines of these instructions.

1. If the respondent asks the purpose of the questions, reply that this is part of a study made periodically about our Customer Offices and the services we offer. (IF THEY INQUIRE FURTHER) We do this so that we may keep informed of what is happening in our offices, and what they are being used for most frequently. Information gathered from the survey will be summarized and used as a basis for future planning.

2. If the respondent asks how he was chosen, he was chosen from a random sample of our customer files.

3. An *Agency* can be described as a Commercial establishment that is not an Edison office but that is authorized to conduct certain transactions on behalf of the Edison Company, such as bill payment, bulb exchange, or receiving appliances for repair. Agencies may include drug or hardware stores, appliance stores, banks, or grocery stores.

4. If extra information is offered which you feel is pertinent, write it in in the margin or spaces between questions.

5. The remainder of these instructions will deal with clarifying the individual questions of the questionnaire form. The numbers will correspond with the Question number. Read the question, then the clarification.

Q.1. (READ QUESTION) If the customer cannot come up with a specific answer in months, prompt him into estimating when the last visit was. If he gives an answer of "last December" or "last September" be sure to convert this to "4 months ago" or "7 months ago". Then continue with the remainder of the questions in the first box (Questions 2, 3, 4 and 5). Do *not* ask the questions in the second box at the bottom of the page unless the customer answers "NEVER" to this first question. If they do answer NEVER ask *only* the questions in the second box (Questions 2A, 3A, and 4A). Arrows are provided to remind you which set of questions to ask.

Q.2. (READ QUESTION) If the respondent does not know the office name ask him the intersection where the office is located, and place this information in the appropriate blank. If respondent gives an agency rather than an office, be sure his last visit to an *office* is recalled. Use information about the *agency* in Question 5.

Q.3. (READ QUESTION) Check the appropriate responses (more than one may be given). You may clarify the question to the respondent by reading the possible responses if it is necessary. Be sure to write in if any other reasons besides those listed are given.

Q.4. (READ INSTRUCTIONS) There are 3 parts of Question 4, dealing with bill payment, bulb exchange, and appliance repair. The way each part of the question is asked by you will be determined by wheth-

er or not bill payment, bulb exchange, or appliance repair has been checked in Question 4.

For each response which has been checked in Question #3, ask the appropriate question from the *left* side of Question 4 (READ QUESTION). For example, if *exchange light bulbs* had been checked in Question #3, you would ask, "How many times per year do you usually exchange light bulbs at an Edison office." On the other hand, if *exchange light bulbs* had *not* been checked in Question #3 you would select the appropriate question from the *right* side of Question #3 which would be "Do you ever exchange bulbs at an Edison office?" The same goes for the questions dealing with appliance repair and bill payment.

A suggestion to eliminate confusion would be to deal first with all those responses which *have been checked* in Question #3, by asking the proper questions on the left; then ask the questions on the right for those which haven't been checked in Question #3.

Q.5. (READ QUESTION) The purpose of this question is to determine whether the customer ever uses an *agency* (refer to definition in #3 above). If after you read the question to the respondent, he does not understand it, you may clarify it by giving examples of an agency such as drug stores or banks. Obtain the name of the agency, or the type of agency if the name is not available.

SECOND BOX

Q.2A. (READ QUESTION) Check whether the bill is paid by mail or by other means, such as an agency, and specify.

Q.3A. (READ QUESTION) Possible answers could be, "Purchase them", "landlord furnishes them", "neighbor exchanges them, etc." Please write in.

Q.4A. (SAME AS Q.5 ABOVE)

Remember to be courteous at all times and to thank the respondent when you are finished. If any questions about service, rates, etc., arise which you are unable to answer, ask the respondent if he could please call his local Edison office, and they will be glad to help him. In the event you are unable to fill in the questionnaire form completely during the phone interview, be sure to take time between calls to record all the pertinent information. Try to write neatly but don't be afraid to make corrections on the form if necessary.

4/70
M. Piernick

Exhibit "8"

SURVEY ON USE OF CUSTOMER OFFICES
APRIL 1970

NAME | STREET | CITY

PHONE | INTERVIEW NO. | DATE | INTERVIEWER'S NAME

Hello, this is _____ at Detroit Edison. We are calling some of our customers about their use of our neighborhood Edison offices. Is this the _____ residence on _____ street?

Q.1. When did you (or someone from your home) last visit an Edison office?

☐ months ago (continue with questions in first box) ☐ Never (If Never ask only questions in 2nd box)

Q.2. What office was that? _____

Q.3. What business did you transact at that time? (check any given)

☐ exchange light bulbs
☐ small appliance repair
☐ pay bill
☐ any other _____ WHAT?

Q.4. (If answer is checked in #3) — OR — (If answer is not checked in #3)

How many times per year do you usually exchange bulbs at an Edison Office? ☐

Do you ever exchange bulbs at an Edison Office? ☐ Yes ☐ No
(If YES) How many times per year? ☐
(If NO) How do you get new light bulbs?

How many times per year do you usually have a small appliance repaired at an Edison Office? ☐

Do you ever have small appliances repaired at an Edison Office? ☐ Yes ☐ No
(If YES) How many times per year? ☐

Do you always pay your electric bill at an Edison Office? _____ (If NO) How else do you pay your Edison bill? _____

Do you ever pay your electric bill at an Edison office? ☐ Never ☐ Sometimes ☐ Always
(If NEVER) How do you usually pay it?
(If SOMETIMES) How often? ____ and How else do you pay it? _____

(If an AGENCY has not already been mentioned)
Q.5 Do you ever transact Edison business somewhere other than at an Edison office? ☐ Yes ☐ No

If YES, where? _____ for what? _____ how often? _____

THANK YOU.

Q.5a. Do you usually pay your electric bill by mail, then? ☐ by mail
☐ Other _____ (How)

Q.5b. How do you usually get new light bulbs? _____

Q.6a. Do you ever transact Edison business somewhere other than at an Edison office? ☐ Yes ☐ No

If YES, where? _____ for what? _____ how often? _____

4/70
M. Pivovick

Exhibit #9 to Plaintiff's Memorandum in Opposition to Defendant's Motion for Summary Judgment filed March 11, 1974, Being the 1972 "spread sheet" described in the deposition of Mr. Daniels. This document was Plaintiff's Deposition Exhibit #3.

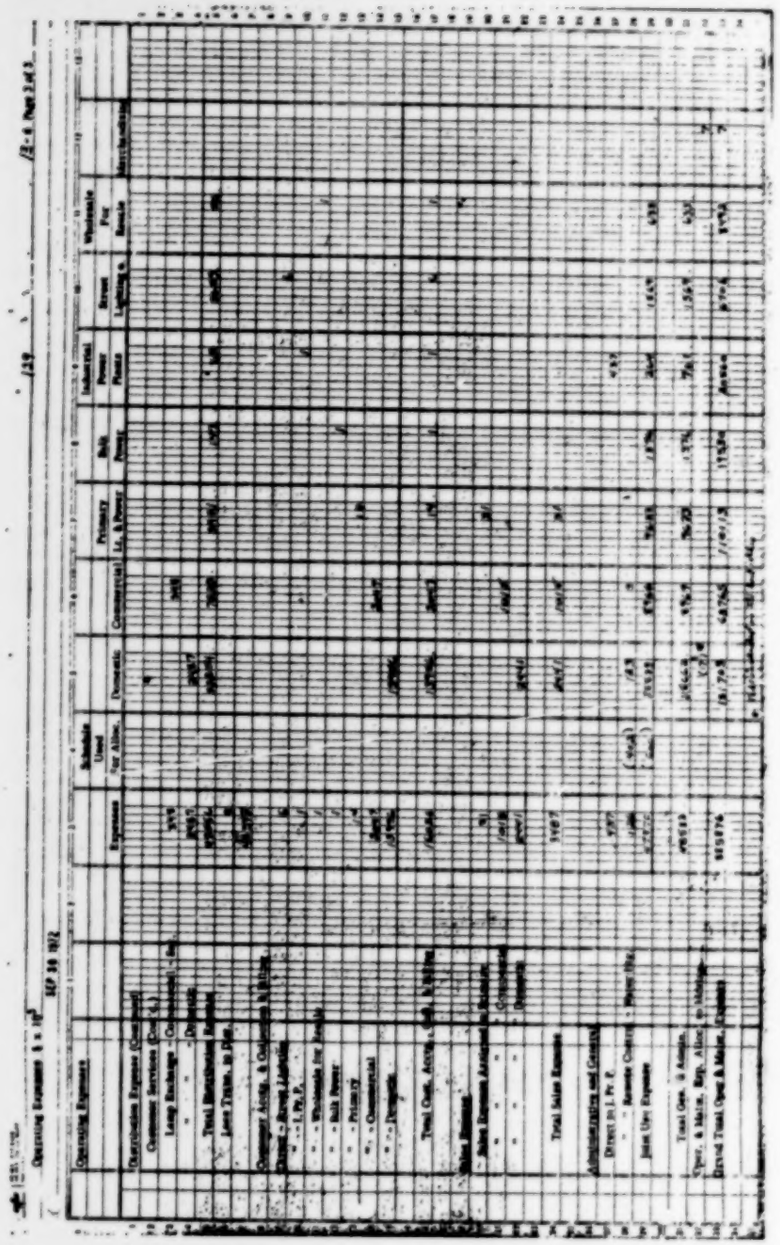
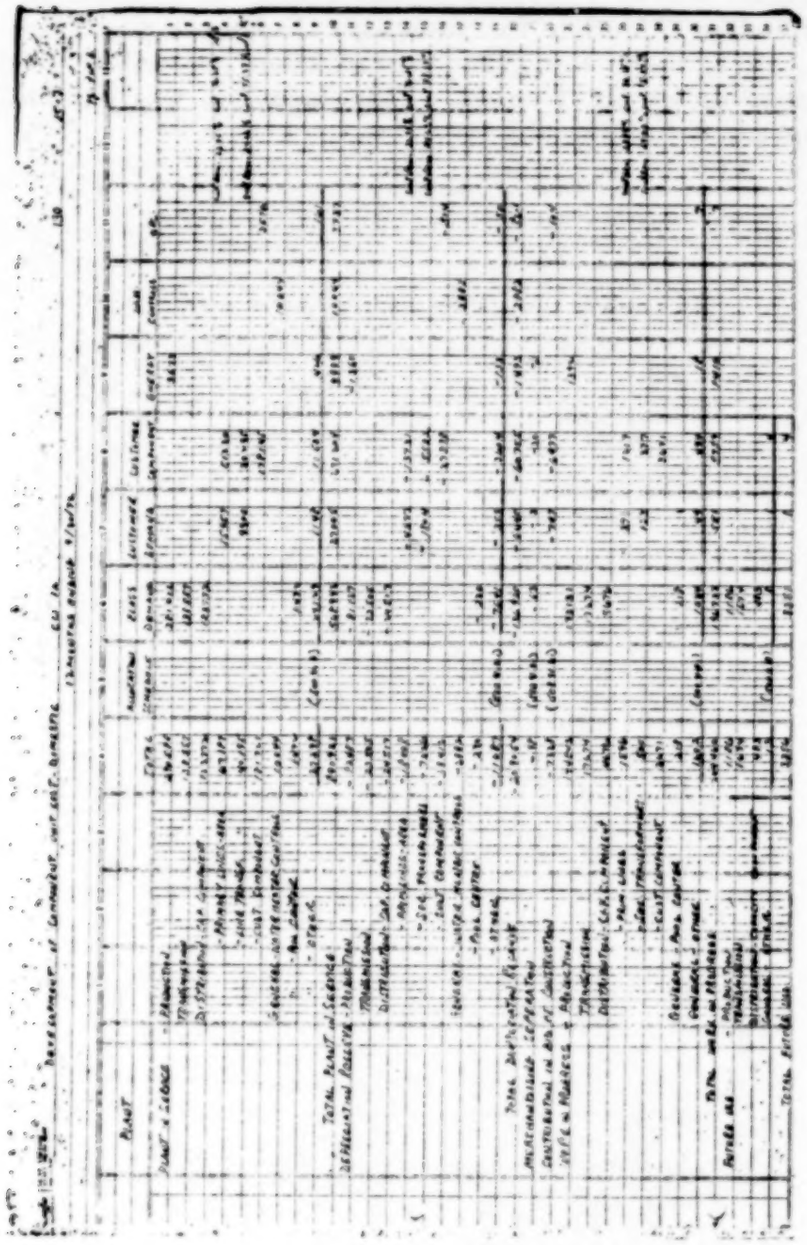


Exhibit "9"



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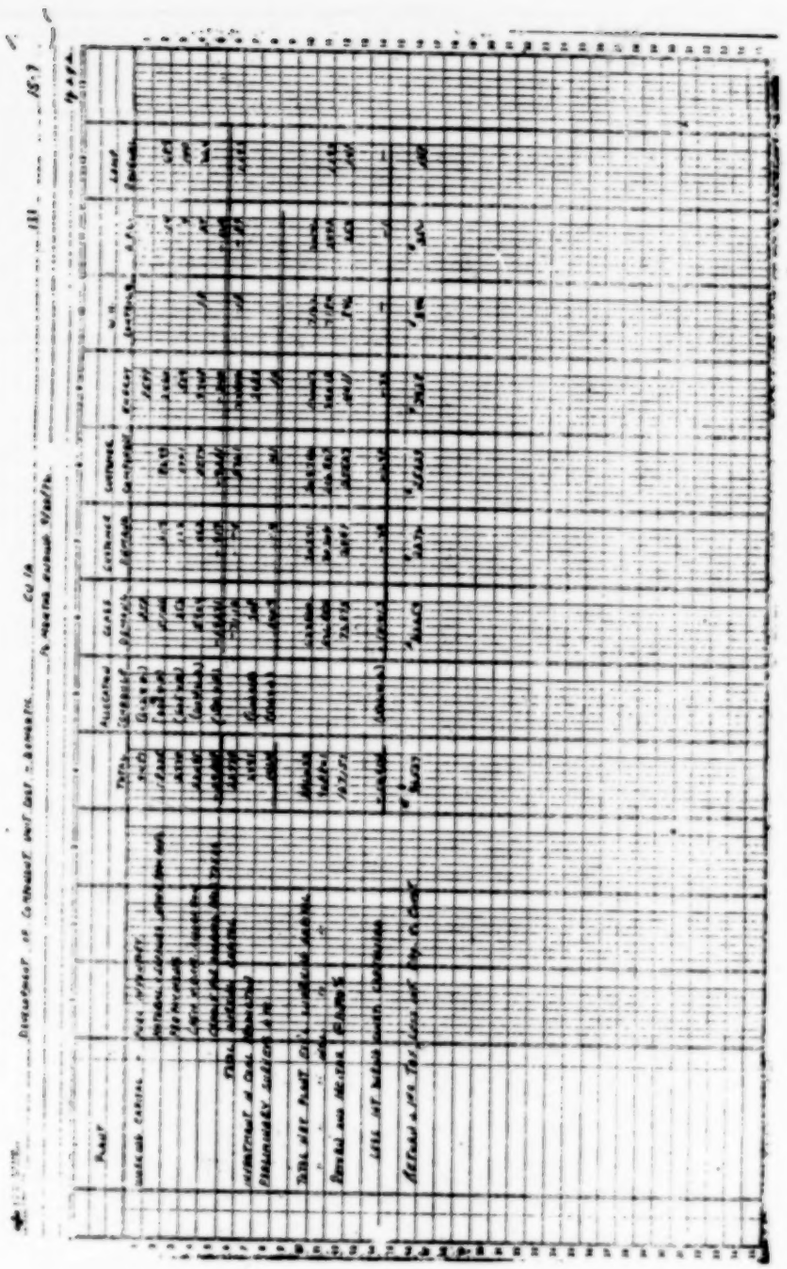

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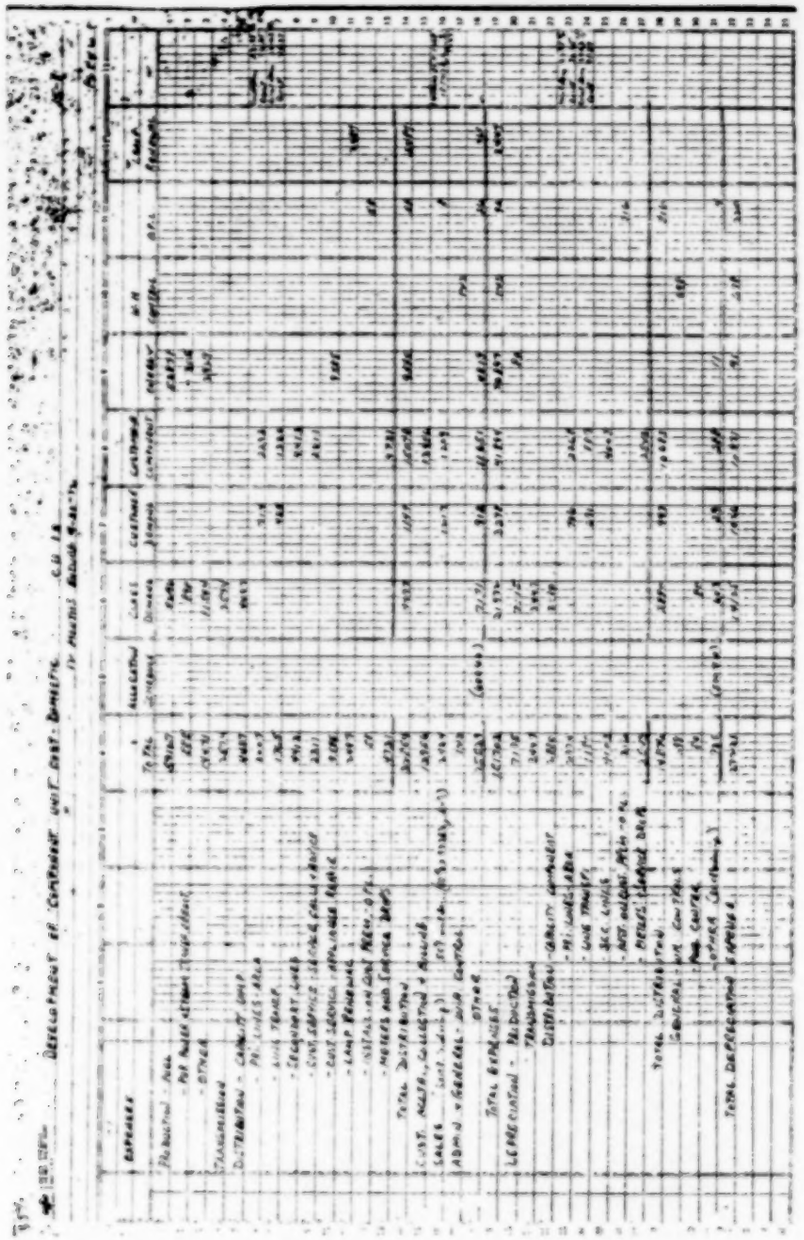

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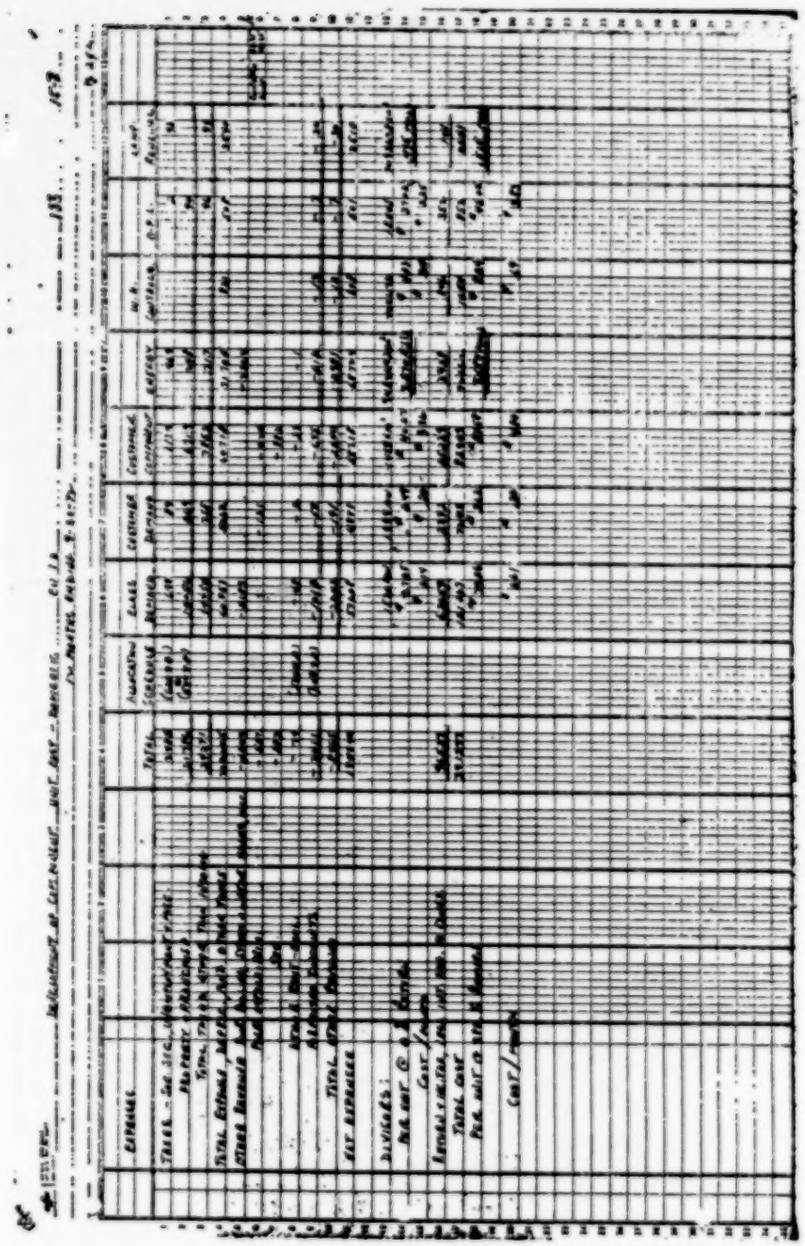

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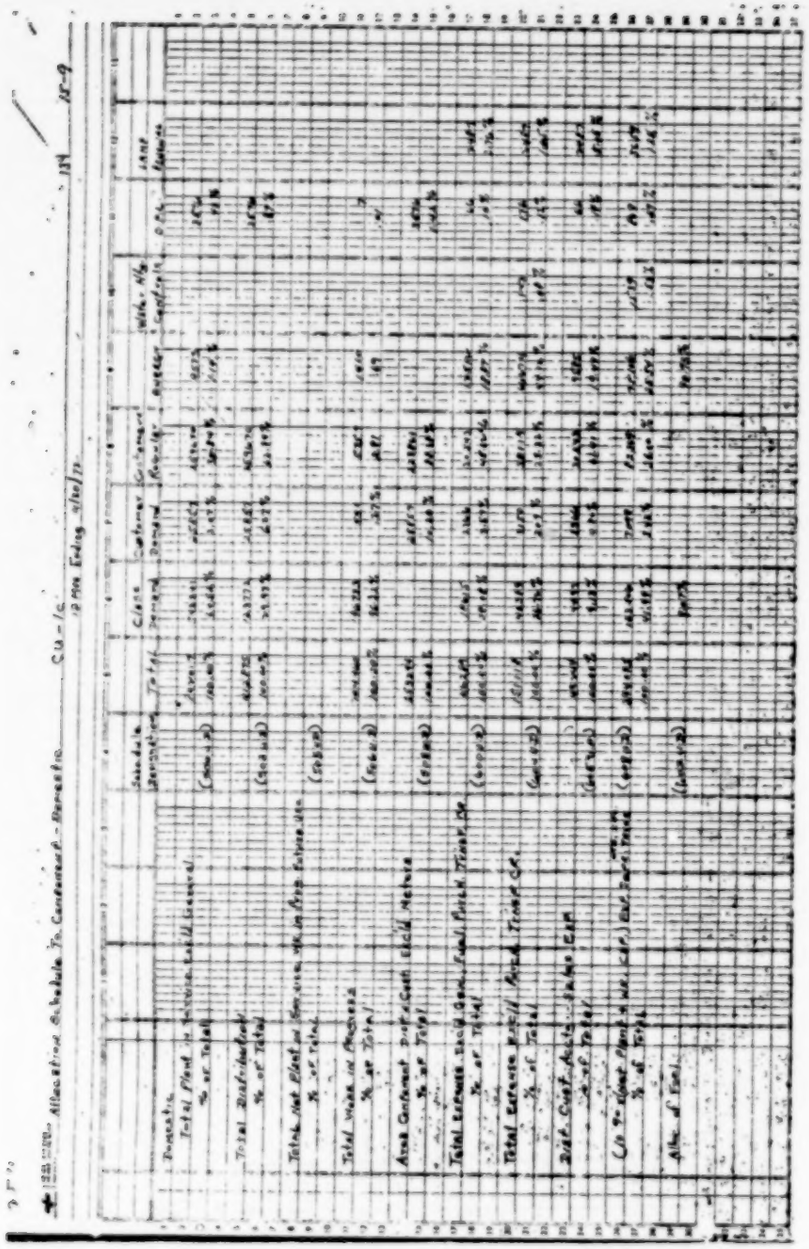

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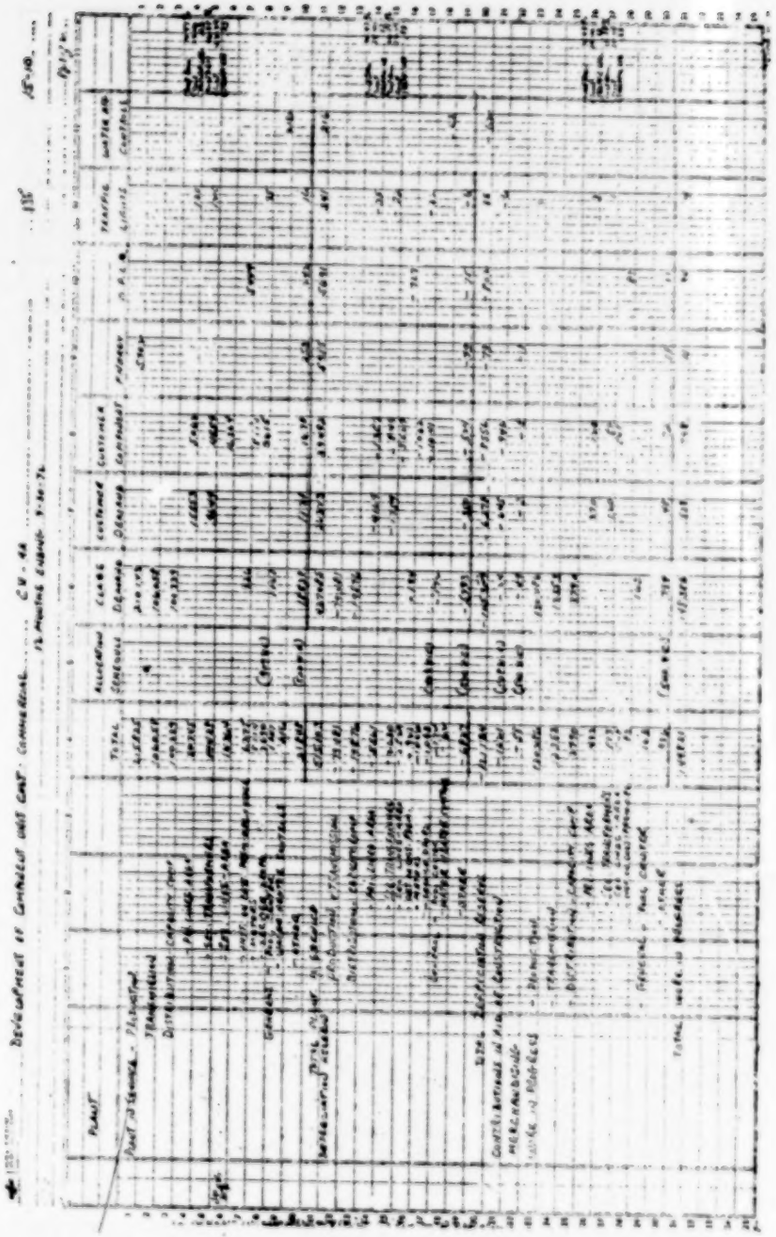

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316a

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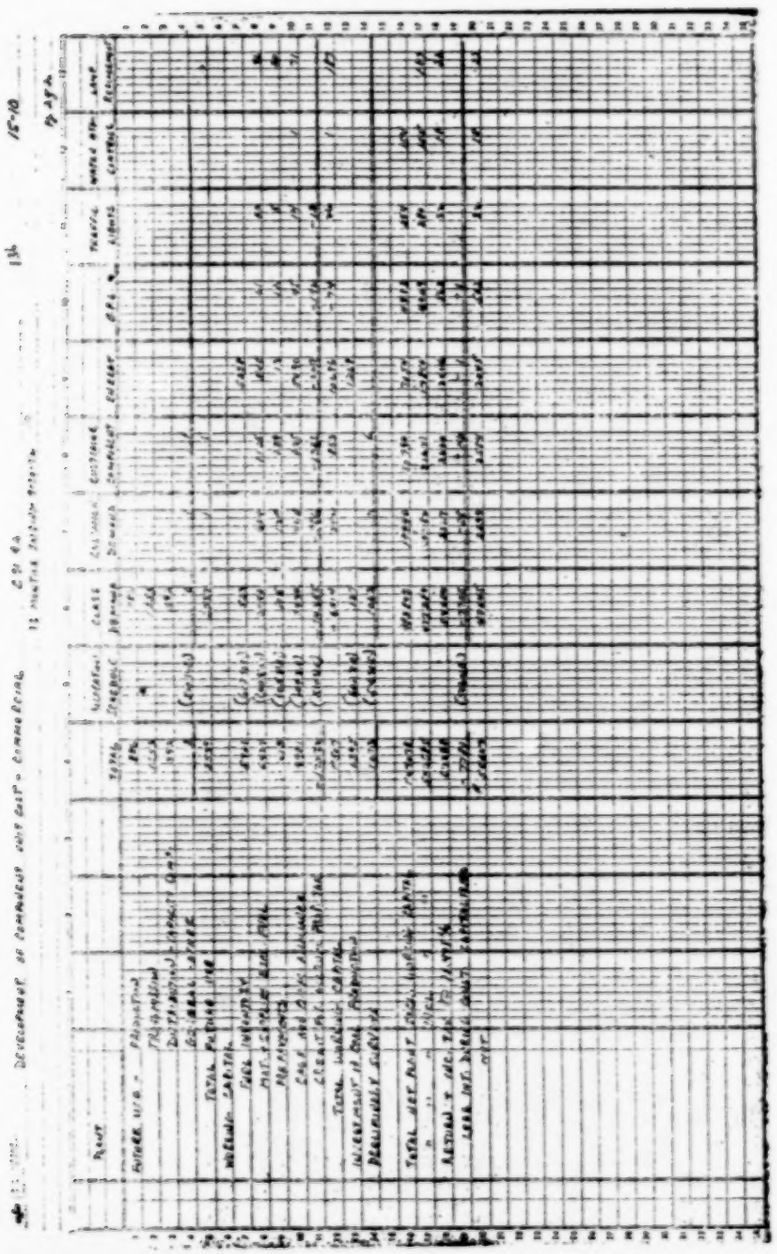

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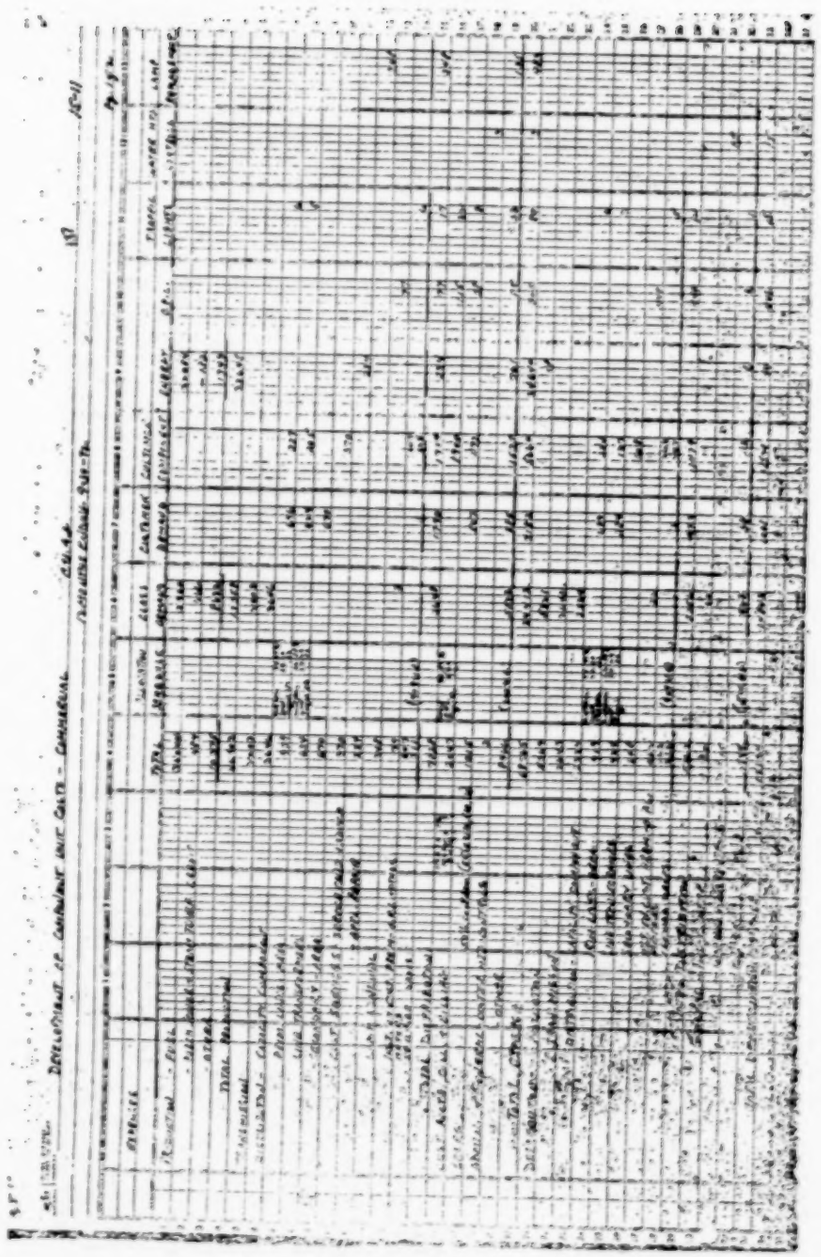

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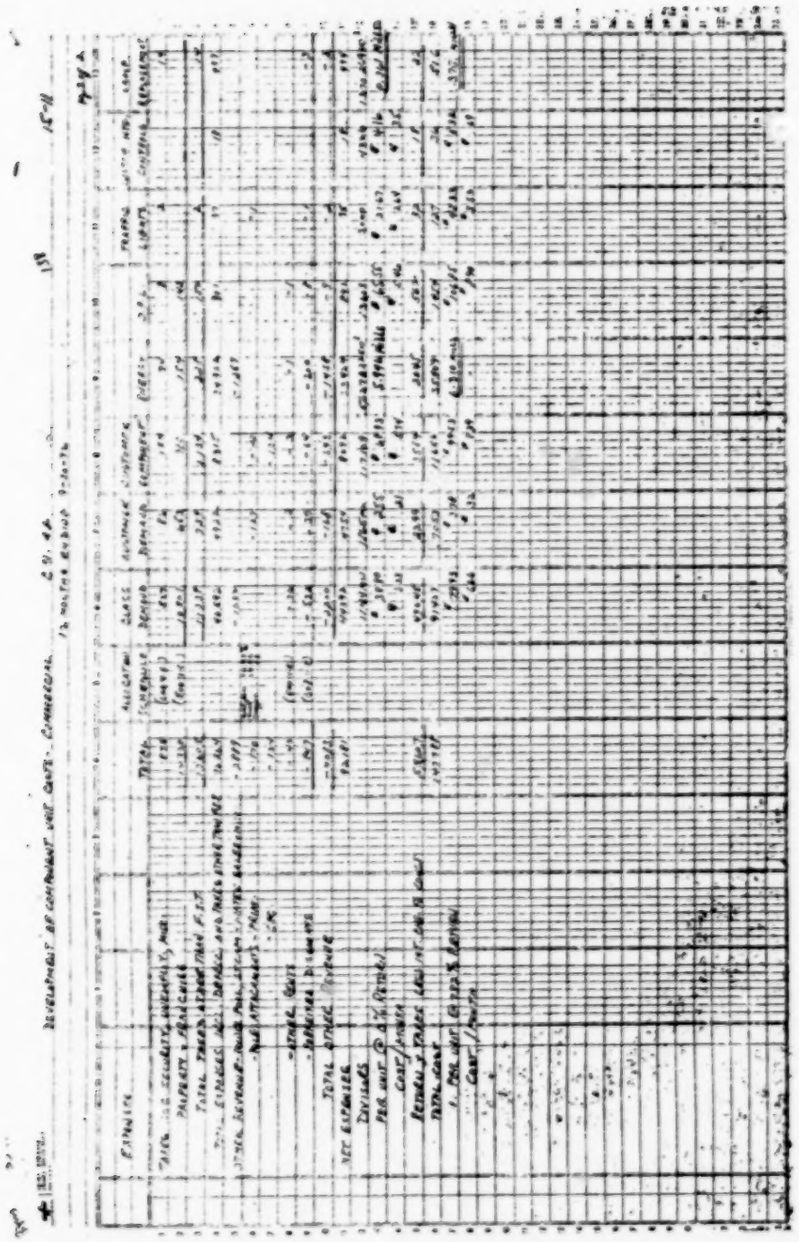

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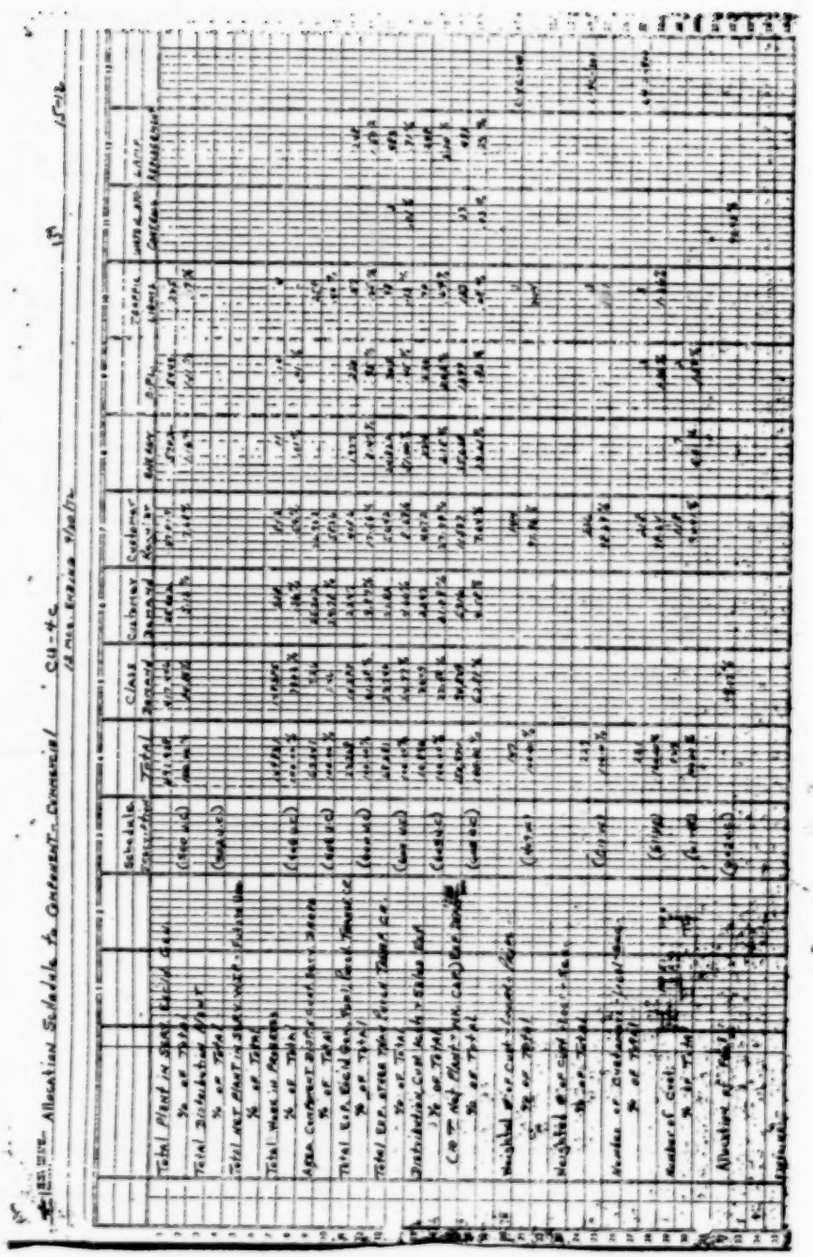

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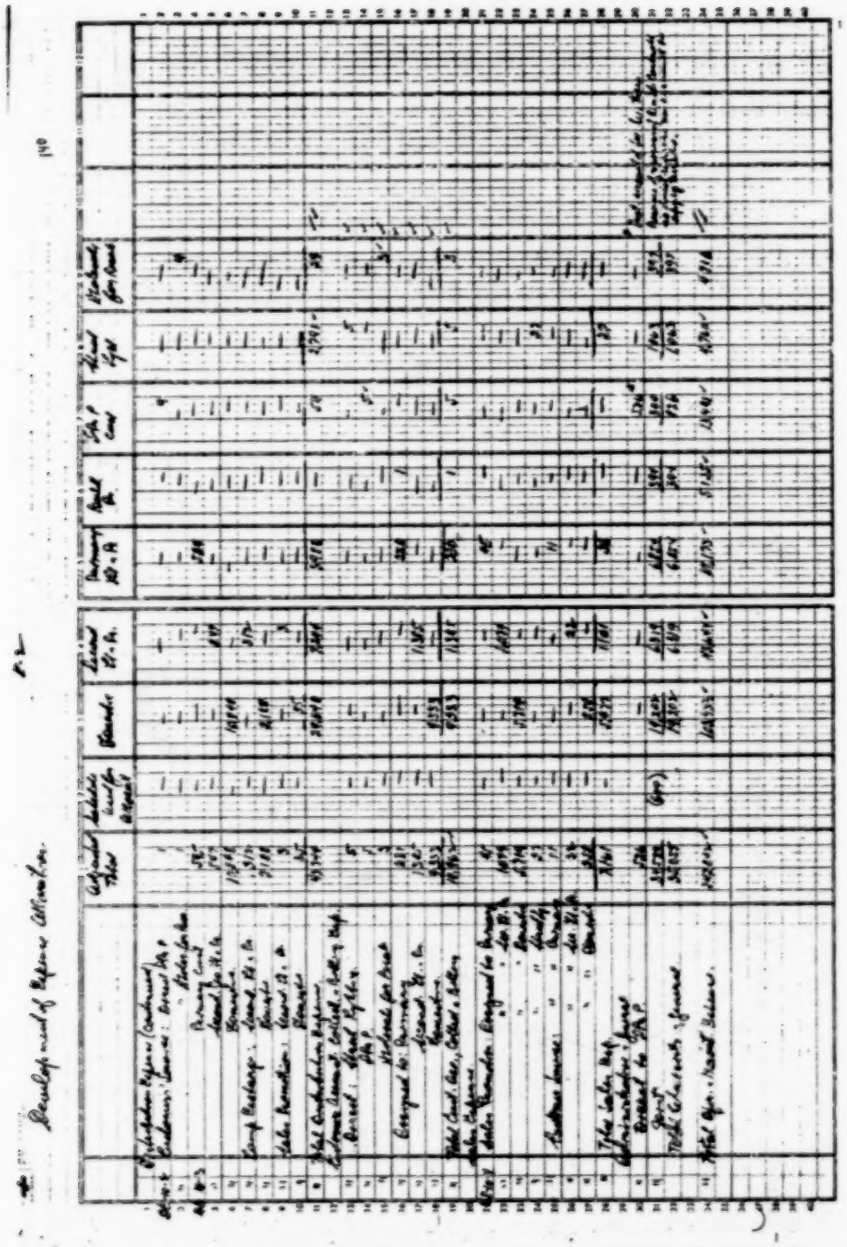

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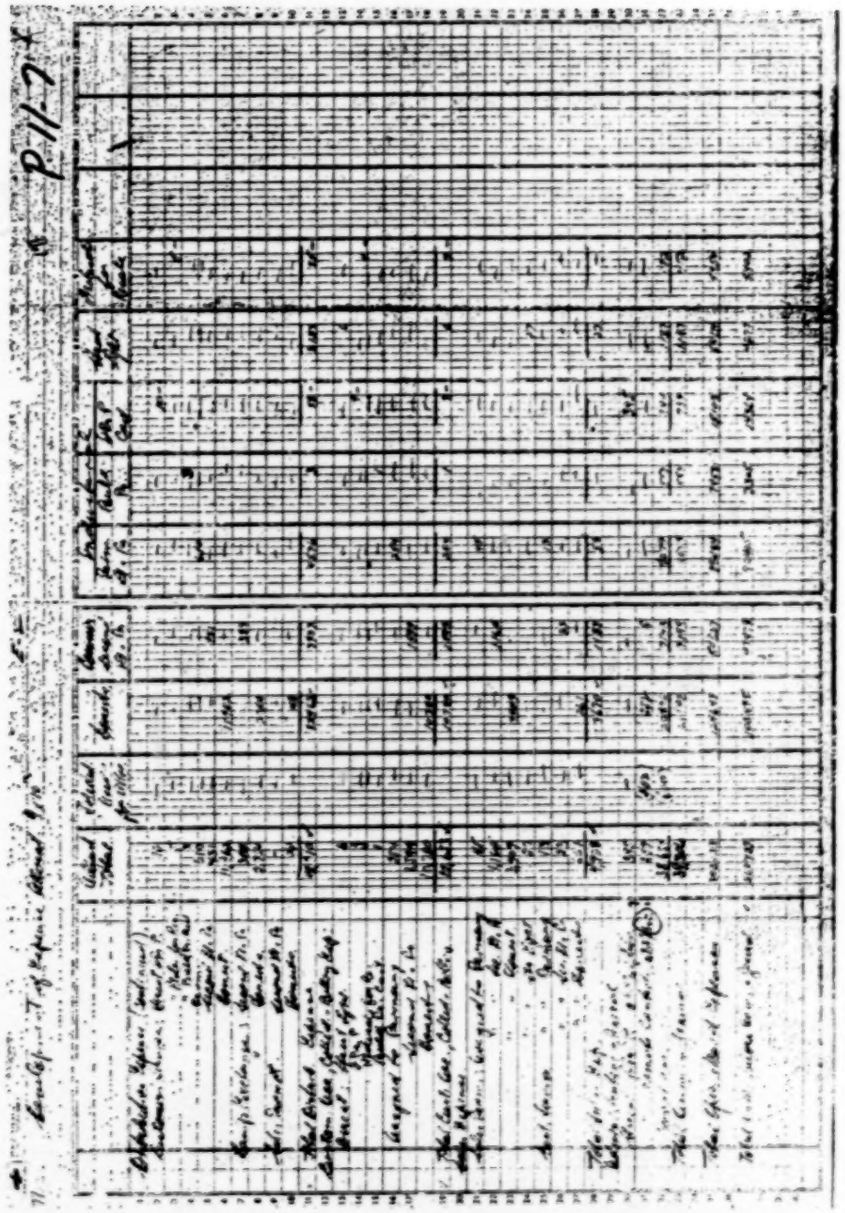

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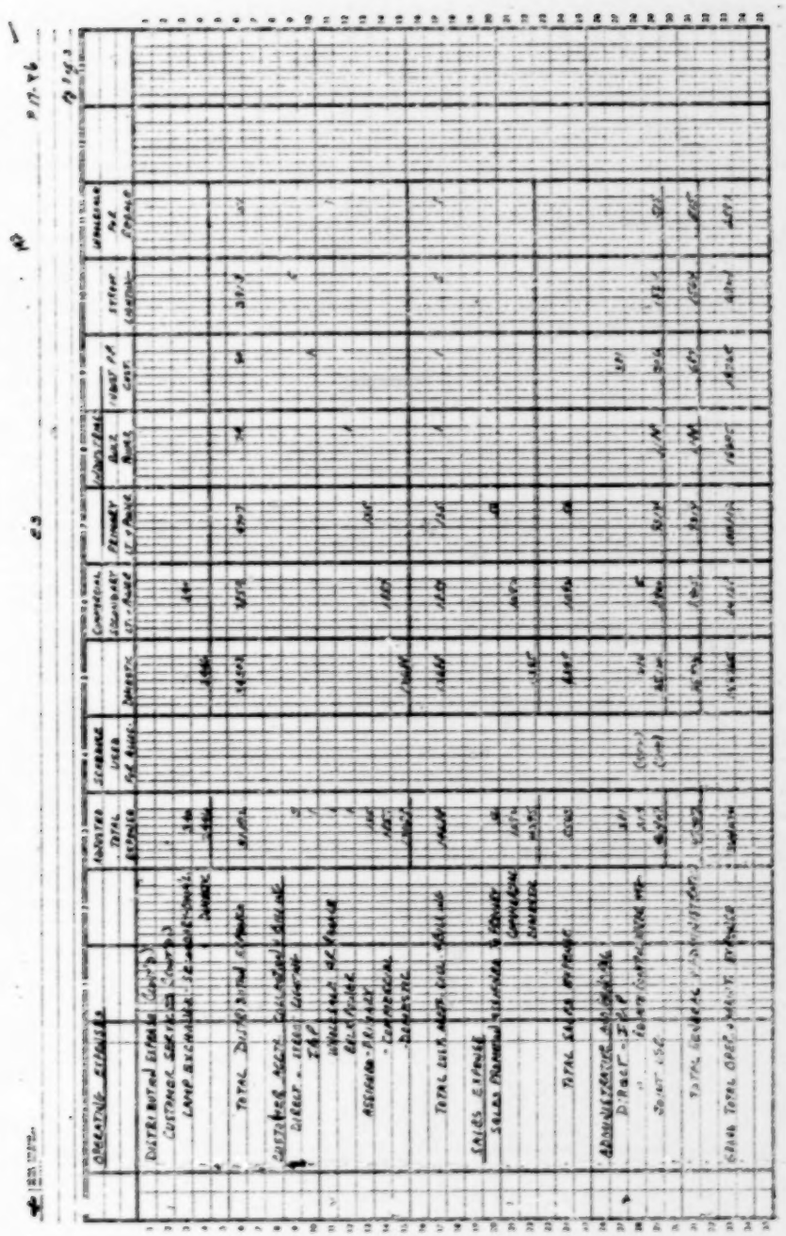

Exhibit "10-A"

Exhibit #10-A to Plaintiff's Memorandum in Opposition to Defendant's Motion for Summary Judgment filed March 11, 1974, Being a jacket of Edison's 100 watt bulb.

DETROIT

An Extra Edison Service

EDISON

DETROIT EDISON

100 WATT BULB

Avg. Life-1350 Hours

Avg. Light Output-1620 Lumens

DETROIT

MANUFACTURED FOR DETROIT EDISON BY GENERAL ELECTRIC CO.
NELA PARK CLEVELAND, OHIO 44112

EDISON

DETROIT EDISON

100 WATT BULB

Avg. Life-1350 Hours

Avg. Light Output-1620 Lumens

Exhibit "10-B"

Exhibit #10-B to Plaintiff's Memorandum in Opposition to Defendant's Motion for Summary Judgment filed March 11, 1974, Being a jacket of a commercially available 100 watt bulb.

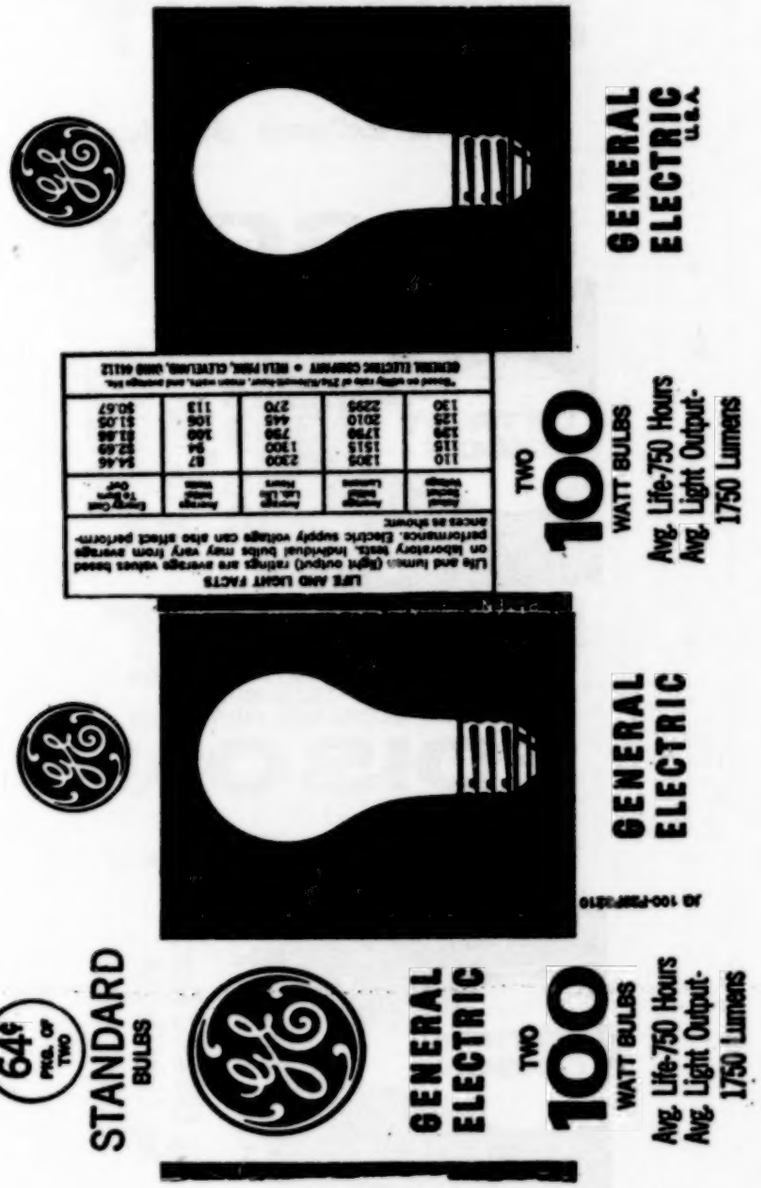

Exhibit "11"

Exhibit #11 to Plaintiff's Memorandum in Opposition to Defendant's Motion for Summary Judgment filed March, 11, 1974, Being a letter from F. M. Hoppe, Director of Public Utilities MPSC dated October 26, 1972.

(Letterhead of the State of Michigan — Department of Commerce)

October 26, 1972

Re: ED2-4-Deitch

Mr. Laurence B. Deitch
Rothe, Marston, Mazey, Sachs, O'Connell,
Nunn & Freid, P.C.
Attorneys and Counselors at Law
1000 Farmer
Detroit, Michigan 48226

Dear Mr. Deitch:

This will acknowledge your letter of October 18, 1972, concerning a profit and loss statement of The Detroit Edison Company broken down to show individual expense items. Our accountants have audited the books and records of The Detroit Edison Company, but no such document was prepared.

The cost of The Detroit Edison Company's light bulb exchange program is included in Account No. 587, Customer Installation Expense, of the Uniform System of Accounts as prescribed by this Commission and is included in the company's operating expenses when determining its revenue deficiency when this Commission determines the proper level of rates.

Sincerely,

(s) F. M. Hoppe
F. M. Hoppe
Director of Public Utilities

Exhibit B to the Affidavit of Jack E. Menig filed March 25, 1974, Being "Motion for Rehearing based upon facts arising subsequent to the Hearing" in MPSC Case No. U-3910.

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter of the application of
THE DETROIT EDISON COMPANY for authority
to amend its rate schedules governing Case U-3910
the supply of electric energy

MOTION FOR REHEARING
BASED UPON FACTS ARISING SUBSEQUENT
TO THE HEARING

Now come FRANK J. KELLEY, Attorney General, UAW—MICHIGAN CAP, CITY OF DETROIT and COUNTY OF WAYNE, and move pursuant to the fourth sentence of Rule 52 for rehearing of this Commission's rate increase order of August 18, 1972, based upon facts arising subsequent to the issuance of said order.[1]

The reasons and basis for this motion are as follows:

1. On information and belief, an officer of the Detroit Edison Company, William R. Milby, Assistant Vice President in charge of customer services, stated to the press on September 5 and/or 6, 1972, that:

---

[1] This application for rehearing is not based upon claim of error in the commission's order of August 18, 1972; movants reserve full rights to present all claims of error to the Circuit Court for the County of Ingham, pursuant to applicable statutes governing the appeal of Commission orders.

a. Edison is incurring an annual net loss of $10 million by reason of its appliance repair service.

b. On or before January 1, 1973, Edison will increase its appliance repair charges so as to place the repair service on a "break-even" basis.

On information and belief, the report carried in the Detroit News of September 6, 1972, page 6A, a copy of which is attached hereto as Exhibit A, accurately sets forth the statement made to the press by said William R. Milby. A similar report in the Detroit Free Press of September 7, 1972, State edition, page A-1, is attached hereto as "Exhibit B".

2. On information and belief, Edison, for many years, upwards of 30 years, has provided to its residential customers electric appliance repair service at no additional charge, or at charges representing only part or all of the actual cost of parts in making such repairs. No charge has been or is being made for the labor cost involved in making such repairs.

3. The cost of making said repairs has for many years been recorded by the Detroit Edison Company on its books as a utility expense, as part of the cost of rendering electric service to its customers. The entire amount of said expense has been claimed by Detroit Edison, and allowed by the Public Service Commission, as part of the cost of rendering electric utility service. The full amount of such costs was allowed, and included in Edison's rates, in the three most recent cases involving the electric rates of the Detroit Edison Company, to wit: Docket Nos. U-3189 (June 15, 1970); U-3697 (December 21, 1970); and U-3910 (August 18, 1972).

4. The residential customers of Edison are now paying the full cost of the appliance repair service in their rates and charges, pursuant to this commission's $45.2 million rate increase order of August 18, 1972, which rate increase became effective August 19, 1972.

5. In the Commission's said order of August 18, 1972, Edison's rates to its residential customers were increased 10.9%, or $23,627,965, based upon the Company's alleged revenues, expenses, and investment in the "test year", 12

months ending June 30, 1971. Imposition of an additional $10 million in appliance repair charges would have the effect of increasing said rate increase incurred by the residential customers by 42.3%, making the total percentage rate increase 15.5%, in lieu of the 10.9% increase authorized by the commission's order of August 18.

6. On information and belief, Edison has never filed rate schedules with this commission showing the rates charged for appliance repair service, or setting forth those repair services which are free of charge. Nevertheless, the Attorney General believes that the charges for appliance repair service constitutes "rates" or "charges", within the meaning of Section 6(a) of the Public Service Commission Act, 1939 PA 3, CL 1948 460.6(a), MSA 22.13(6a); *and that such rates and charges cannot legally be imposed or increased without giving notice* in the service area to be affected and the holding of a public hearing, as required by said Section 6a.

WHEREFORE, movants ATTORNEY GENERAL FRANK J. KELLEY, and UAW—MICHIGAN CAP, CITY OF DETROIT, and COUNTY OF WAYNE request that:

1. This commission order that a rehearing be granted in Case No. U-3910 for the purpose of receiving in evidence the facts bearing upon the allegations set forth above; that the Commission thereupon amend its rate order of August 18, 1972, so as to reduce the amount of rate increase granted to Edison from $45.2 million to $35.2 million, or such other figure as will accurately represent, as near as may be, the additional charges that may be assessed against Edison's customers for appliance repair services; that said reduction in the August 18, 1972 rate increase be applied entirely to the residential portion of such rate increase, which was in the amount of $23,627,965; that said reduction, constituting an average of $6.15 per residential customer per year, be accomplished by reducing all residential rates by 4.8%, that being the relationship between the $10 million of additional charges and the company's total residential electric revenues in 1971 of $213,724,000, or some other similarly appropriate method determined by this commission; *or*

2. That this commission order and direct the Detroit Edison Company to make no change in its existing appliance repair service, or in the existing rates and charges for such appliance repair service, unless and until approval for such change or changes has been granted by this commission, after notice in the service area to be affected, and the holding of a public hearing.

Respectfully submitted,

FRANK J. KELLEY
Attorney General

(s) Hugh B. Anderson
Hugh B. Anderson
Assistant Attorney General
Law Building
Lansing, Michigan 48913

CITY OF DETROIT

(s) Robert Reese/pb
Robert Reese
Assistant Corporation Counsel
1010 City-County Building
Detroit, Michigan 48226

COUNTY OF WAYNE

Aloysius J. Suchy
Corporation Counsel

(s) David R. Kaplan/pb
David R. Kaplan
Assistant Corporation Counsel
601 City-County Building
Detroit, Michigan 48226

Michigan UAW-CAP

(s) Daniel P. Dozier/pb
Daniel P. Dozier
Assistant General Counsel
Solidarity House
8000 E. Jefferson
Detroit, Michigan 48214

DATED: September 11, 1972

Exhibit C to Affidavit of Jack E. Menig filed March 25, 1974; Being the Order Denying Motion for Rehearing in MPSC Case No. U-3910.

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

• • • • •

In the matter of the application of THE DETROIT EDISON COMPANY for authority to amend its rate schedules governing the supply of electric energy.	)))))	Case No. U-3910

At a session of the Michigan Public Service Commission held at its offices in the city of Lansing, Michigan, on the 2nd day of April, 1973.

PRESENT: Hon. William G. Rosenberg, Chairman
Hon. Lenton G. Sculthorp, Commissioner
Hon. William R. Ralls, Commissioner

ORDER DENYING MOTION FOR REHEARING

On September 11, 1972, a motion was filed by Attorney General Frank J. Kelley, UAW-Michigan-CAP, City of

Detroit and County of Wayne for rehearing of the Commission's rate increase order of August 18, 1972.

The motion was based upon facts alleged to have arisen subsequent to said order, consisting of an anticipated change in The Detroit Edison Company's policy relating to appliance repair service. The alleged shift in policy, placing the costs of the repair service on a "break-even" basis, would, according to movants, result in an increase in rates of approximately $10,000,000.

The motion requested a rehearing for the purpose of receiving in evidence facts concerning the appliance repair service and seeking either a reduction of the rate increase granted in the order of August 18, 1972 or an order directing The Detroit Edison Company not to make any change in said policy until after notice and public hearing.

On December 15, 1972, The Detroit Edison Company filed its application in Case No. U-4257 for authority to amend its rate schedules. The hearings thereon are presently in progress and encompass the subject matter involved in the Motion for Rehearing, as evidenced by the direct testimony of Robert H. Kelley, filed with the Commission on December 15, 1972.

THEREFORE, IT IS ORDERED that the Motion for Rehearing be and the same is hereby denied.

MICHIGAN PUBLIC SERVICE COMMISSION

(s) William G. Rosenberg
Chairman

(s) Lenton G. Sculthorp
Commissioner

(SEAL)

(s) William R. Ralls
Commissioner

By the Commission and pursuant to
its action of April 2, 1973.

(s) Earl B. Klomparens
Its Secretary

Exhibit to Answer to Interrogatory No. 16, Being the Electric Rate Order in MPSC Case No. U-1791 dated November 12, 1964.

Interrogatory No. 15

Yes

Interrogatory No. 16

The option was withdrawn on December 1, 1964 by authority of the Michigan Public Service Commission in its order dated November 12, 1964 in Case No. U-1791, copy attached, a part of a general rate decrease.

(Received 11-12-64 — E. H. Scott)

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

• • • • •

In the matter of the application of THE DETROIT EDISON COMPANY to revise and reduce certain rates in its Schedule of Electric Rates M.P.S.C. No. 4 and to adopt a new Schedule of Electric Rates M.P.S.C. No. 5.	))))))	Case No. U-1791

At a session of the Michigan Public Service Commission held at its offices in the city of Lansing, Michigan, on the 12th day of November, A. D. 1964.

PRESENT: Hon. Peter B. Spivak, Chairman
Hon. John E. Tormey, Commissioner
Hon. George Washington, Commissioner

ELECTRIC RATE ORDER

Application was filed November 6, 1964, by The Detroit Edison Company requesting approval to revise and reduce certain rates in its Schedule of Electric Rates M.P.S.C. No. 4 and to adopt a new Schedule of Electric Rates M.P.S.C. No. 5.

Applicant represents as follows:

1. That in its endeavors to sell more electric energy, applicant is continually faced with competition from those engaged in the sale of other forms of energy and in the sale of other things competing for the same consumer dollars. The ability to hold and to expand its market, by supplying adequate electric service at reasonable and competitive rates, depends to a large extent on a substantial and continuing growth in the use of electricity by its customers.

2. That since 1948 the wages and salaries paid by the applicant as well as most of its other operating expenses have increased many times, but the applicant, by the application of sound business management methods, nevertheless succeeded in reducing its unit costs of producing electric energy, and has refrained from seeking any increase in its rates.

3. That, in the same period, applicant has reduced its general residence rate, introduced special low rates for water heaters and for all-electric homes, and for promotional purposes has modified its Commercial Rates and Primary Supply Rates.

4. That if it is permitted to make further reasonable reductions in its rates for certain classes of its service, applicant can and will be able to sell more electric energy which will tend to reduce its unit costs of producing the electric energy and thus strengthen its competitive efforts.

5. That the proposed revisions in the rate schedules hereinafter referred to would reduce applicant's revenues by nearly $3,750,000 annually based upon the present use

of electricity, but that the applicant believes the proposed reductions will tend to increase net electric revenues.

6. That the proposed revenue reductions would be apportioned among the various customer classes as follows:

Domestic Service	$1,745,000
All-Electric Domestic	23,000
Water Heater (10 hour)	141,000
General Service	1,355,000
Large General Service	436,000
Standard Primary Supply	32,000
Alternative Primary Supply	17,000
Total	$3,749,000

7. That the inauguration of the proposed revisions and changes in rates will not result in increased bills for any customer.

The Commission having carefully considered the matter before it and being advised in the premises FINDS that The Detroit Edison Company's application of November 6, 1964, requesting authority to reduce certain rates and adopt a new Schedule of Rates M.P.S.C. No. 5 should be approved as follows:

Residence Rate, Schedule Designation D1, be retitled *Domestic Service Rate,* Schedule Designation D1. This rate schedule is to be revised so that the excess step comes after the

use of 500 kilowatthours per month with the rate to be reduced to 1.6¢ (gross) per kilowatthour. A floating block at 1.0¢ (gross) per kilowatthour is to be incorporated for controlled Water Heating Service.

All-Electric Domestic Service Rate, Schedule Designation D1.1, to be refiled as Schedule Designation D1.1 and to be revised so that the excess step is reduced to 1.5¢ (gross) per kilowatthour.

Water Heating Rate (For Service During Valley Hours), Schedule Designation D2, to be withdrawn and all customers taking service thereunder will be transferred to the floating block application on the proposed Domestic Service Rate. Applicant will require a reasonable period of time to contact customers and change time clocks for the 30,329 Domestic customers and the 853 General Service customers taking service under this rate. These customers will continue to be billed on the present rate until such time as the transfer is made.

Water Heating Rate (For Controlled Off-Peak Service), Schedule Designation D2.1, to be refiled under Schedule Designation D2 as an optional water heating service in conjunction with either of the Domestic Service Rates.

General Commercial Rate, Schedule Designation D3, to be retitled *General Service Rate,* Schedule Designation D3. This rate

schedule is to be revised so that the excess step comes after the use of 10,000 kilowatthours per month with the rate to be reduced in all blocks. The fuel clause is to be restated from a fuel charge to a fuel adjustment clause applicable after the use of 600 kilowatthours per month. The Lamp Credit is to be withdrawn, and the net effect of these changes is to be a reduction for all levels of consumption. Lamp replacements of approved burned out incandescent lamps will continue to be furnished under this rate schedule.

Commercial Demand Rate, Schedule Designation D4, to be retitled *Large General Service Rate,* Schedule Designation D4. This rate schedule is to be revised so that the initial step of the Demand Charge for 5.0 kilowatts or any less demand is $20.00 per month with the rate to be reduced in all blocks. The fuel clause is to be restated from a fuel charge to be a fuel adjustment clause applicable to all kilowatthours. The Lamp Credit is to be withdrawn, and the net effect of these changes is to be a reduction for all levels of consumption where the billing demand is 5.0 kilo-

watts or over. Lamp replacements of approved burned out incandescent lamps will no longer be furnished under this rate schedule.

Any customer presently taking service on the Commercial Demand Rate, whose demand is less than 5.0 kilowatts, will be

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U-1791

billed on the new Large General Service Rate with a $2.00 minimum demand charge instead of the $20.00 minimum charge as established in the new rate. The billing demand to the nearest 0.1 kilowatt will be charged at a rate of $4.00 per kilowatt per month up to 5.0 kilowatts. The provisions applicable to this group are being withdrawn for new business.

Customers presently taking service under the provisions of the Reckoned Demand provision of Rule No. 2, Demand Determination, will be allowed to continue this assessed demand provision on the new Large General Service Rate with the $2.00 minimum charge substituted for the stated $20.00 minimum demand charge as stated in the new rate. The assessed demand provision is to be withdrawn for new business.

Standard Primary Supply Rate, Schedule Designation D5, to be refiled under Schedule Designation D5. The fuel clause is to be restated from a fuel charge to a fuel adjustment clause applicable to all kilowatthours. The cost of 12,500 Btu at 27.5¢ per million Btu has been added to the steps of the stated energy charge.

Alternative Primary Supply Rate, Schedule Designation D6, to be refiled Schedule Designation D6. The fuel clause is to be restated from a fuel charge to a fuel adjustment clause

Page 6
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applicable to all kilowatthours. The cost of 12,500 Btu at

27.5¢ per million Btu has been added to the stated energy charge.

Electric Furnace Rate, Schedule Designation D8, to be refiled under Schedule Designation D8. The fuel clause is to be restated from a fuel charge to a fuel adjustment clause applicable to all kilowatthours. The cost of 12,500 Btu at 27.5¢ per million Btu has been added to the stated energy charge.

Municipal Pumping Rate (At Primary Voltage), Schedule Designation E4, to be refiled under Schedule Designation E4. The fuel clause is to be restated and the cost of 12,500 Btu at 27.5¢ per million has been added to the stated energy charge.

Municipal Pumping Rate (At Secondary Voltage), Schedule Designation E5, to be refiled under Schedule Designation E5. The fuel clause is to be restated and the cost of 15,600 Btu at 27.5¢ per million Btu has been added to the applicable steps of the stated energy charge.

Electric Metal Melting, (Standard Contract Rider No. 1), Schedule Designation R1, to be refiled under Schedule Designation R1. The fuel adjustment clause has been restated and the cost of 12,500 Btu at 27.5¢ per million Btu has been added to the applicable steps of the stated energy charge.

Apartments and Rooming Houses (Standard Contract Rider No. 5) to be filed as a rider modifying the contract for service for those accounts presently operating as apartment houses or rooming

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houses and electing to take advantage of the reckoned demand provision. This application will be frozen until such time as the status of each account is changed. The minimum demand is to be waived and the assessed demand will be billed at $4.00 per kilowatt under 5.0 kilowatts.

Demand Determination, Rule No. 2, Schedule Designation B2. The reckoned demand for apartment houses and rooming houses to be withdrawn for new business. This

application is to be refiled as Standard Contract Rider No. 5 for those customers presently taking such service.

Fuel Adjustment. A new fuel adjustment clause applicable to all rates previously having the adjustment based on the cost of 15,600 Btu, General Service Rate, Large General Service Rate, and Municipal Pumping Rate (at Secondary Voltage) will be as follows:

> The fuel adjustment shall consist of an additional .0012¢ per kilowatthour consumed for each full .1¢ increase in the cost of fuel above 28.0¢ per million Btu's or a reduction of .0012¢ per kilowatthour consumed for each full .1¢ in the cost of fuel below 27.0¢ per million Btu. The price per million Btu during any month shall be the average cost to the Company of 1,000,000 Btu of fuel burned during the preceding month, figured to the nearest one-

> thousandth of a cent. The cost of fuel shall include the cost of transportation to the Company's generating plant for such fuel, plus any excise or taxes placed upon the purchase of transportation of fuel. Cost of unloading, reloading and storage, switching within or between plants, demurrage and overhead charges, are expressly excluded from this calculation.

A fuel adjustment clause applicable to all rates previously having the adjustment based on the cost of 12,500 Btu, Standard Primary Supply Rate, Alternative Primary Supply Rate, Electric Furnace Rate, Municipal Pumping Rate (At Primary Voltage), Electric Metal Melting Rider will be as follows:

> The fuel adjustment shall consist of an additional .0011¢ per kilowatthour consumed for each full .1¢ increase in the cost of fuel above 28.0¢ per million Btu's or a reduction of .0011¢ per kilowatthour consumed for each full .1¢ in the cost of fuel below 27.0¢ per million Btu's. The price per million Btu during any

> month shall be the average cost to the Company of 1,000,000 Btu of fuel burned during the preceding month, figured to the nearest one-thousandth of a cent. The cost of fuel shall include the cost of transportation to the Company's generating plants for such fuel, plus any excise or taxes

> placed upon the purchase or transportation of fuel. Cost of unloading, reloading and storage, switching within or between plants, demurrage and overhead charges, are expressly excluded from this calculation.

IT IS SO ORDERED.

IT IS FURTHER ORDERED that The Detroit Edison Company shall promptly file rate sheets substantially the same as the sheets attached hereto as Exhibit A to be effective on service rendered on and after December 1, 1964, which will be equivalent to billing units scheduled for processing on and after January 4, 1965.

IT IS FURTHER ORDERED that the approval herein given is without prejudice to the power of this Commission at any time on its own motion or on petition of any interested party to inquire into and investigate the rates, charges, practices and services hereby approved.

The Commission specifically reserves jurisdiction of the matters herein contained and the authority to issue such further

order or orders as the facts and circumstances may require.

MICHIGAN PUBLIC SERVICE COMMISSION

(s) Peter B. Spivak
Chairman

Exhibit to Answer to Interrogatory No. 16

(s) John E. Tormey
Commissioner

(s) George Washington
Commissioner

(SEAL)

By the Commission and pursuant
to its action of Nov. 12, 1964.

(s) Norman Berkowitz
Its Secretary

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Exhibit to Answer to Interrogatory No. 16

Exhibit "A"

DOMESTIC SERVICE RATE

AVAILABILITY OF SERVICE: Available to customers desiring service to residences whether located in urban communities or on farms. Service to buildings appurtenant to the residence or farm may be taken through the residence meter.

HOURS OF SERVICE: 24 hour.

CURRENT, PHASE, AND VOLTAGE: Alternating current, single phase, nominally at 120-240 volts, three wire.

RATE PER MONTH:

Energy Charge:

5.85¢ per kilowatthour for the first 15 kilowatthours,
3.50¢ per kilowatthour for the next 85 kilowatthours,
2.75¢ per kilowatthour for the next 150 kilowatthours,
2.25¢ per kilowatthour for the next 250 kilowatthours, and
1.60¢ per kilowatthour for the excess.

Controlled Water Heating Service:

Controlled service to the lower element of electric water heaters, the design and method of installation of which are approved by the Company as adapted to such service, is limited by a clock or other timing device to 20 hours per day, said hours to be established from time to time by the Company. A rate of 1.0¢ (gross) per kilowatthour shall apply to the number of kilowatthours listed below, but not to the first 100 kilowatthours per month:

50 gallon tank	400 kilowatthours
80 gallon tank	550 kilowatthours
110 gallon tank	700 kilowatthours

Bills are rendered monthly or bi-monthly, as the Company's rule in force at the time and place of the service may provide. When bills are rendered bi-monthly, the number of kilowatthours chargeable at each step of the rate are twice the monthly quota.

DISCOUNT: 3% for prompt payment.

MINIMUM CHARGE: 75¢ per month less 3% for prompt payment.

(Continued on next page)

Exhibit to Answer to Interrogatory No. 16

DOMESTIC SERVICE RATE - Continued

LAMP SUPPLY: Incandescent lamps will be furnished without extra charge:

(1) To residence connected for the first time to the Company's lines, in such quantities as may be needed, but not to exceed 40 lamps to any one residence.

(2) As replacements of approved burned out lamps in proportion to the use of energy for lighting purposes under this rate.

CONTRACT TERM: This is an open order agreement, terminable on three days written notice by either party.

SEE ALSO THE FOLLOWING RATES AND RULES:

Rule No. 1 - Choice of Rates
Rule No. 5 - Line Extensions and Service Connections
Rate No. D2 - Water Heating Rate

Exhibit to Answer to Interrogatory No. 16

ALL-ELECTRIC DOMESTIC SERVICE RATE

AVAILABILITY OF SERVICE: Available on an optional basis to customers desiring service for all domestic purposes through one meter to a single occupancy in which the space heating and water heating are supplied by electric service installed on a permanent basis.

HOURS OF SERVICE: 24 hours.

CURRENT, PHASE AND VOLTAGE: Alternating current, single phase, nominally at 120-240 volts, three wire.

RATE PER MONTH:

Energy Charge:
$1.50 per month which shall include 15 kilowatthours or less,
3.5¢ per kilowatthour for the next 85 kilowatthours,
2.5¢ per kilowatthour for the next 100 kilowatthours,
2.0¢ per kilowatthour for the next 300 kilowatthours, and
1.5¢ per kilowatthour for the excess.

Controlled Water Heating Service:

Controlled service to the lower element of electric water heaters, the design and method of installation of which are approved by the Company as adapted to such service, is limited by a clock or other timing device to 20 hours per day, said hours to be established from time to time by the Company. A rate of 1.0¢ (gross) per kilowatthour shall apply to the number of kilowatthours listed below, but not to the first 100 kilowatthours per month:

50 gallon tank	400 kilowatthours
80 gallon tank	550 kilowatthours
110 gallon tank	700 kilowatthours

DISCOUNT: 3% for prompt payment.

MINIMUM CHARGE: $1.50 per month less 3% for prompt payment.

LAMP SUPPLY: Incandescent lamps will be furnished without extra charge:

(1) To residence connected for the first time to the Company's lines, in such quantities as may be needed, but not to exceed 40 lamps to any one residence.

(2) As replacements of approved burned out lamps in proportion to the use of energy for lighting purposes under this rate.

CONTRACT TERM: This is an open order agreement, terminable on three days written notice by either party.

SEE ALSO THE FOLLOWING RULES AND RATES:
Rule No. 1 - Choice of Rates
Rule No. 2 - Line Extensions and Service Connections
Rate No. D2 - Water Heating Rate

Exhibit to Answer to Interrogatory No. 16

WATER HEATING RATE
(FOR CONTROLLED OFF-PEAK SERVICE)

AVAILABILITY OF SERVICE: Customers desiring controlled service to electric water heaters, the design and method of installation of which are approved by the Company as adapted to such service.

HOURS OF SERVICE: The daily use on the lower heating element will be limited by a clock or other timing device to 20 hours per day, the hours to be established from time to time by the Company.

CURRENT, PHASE AND VOLTAGE: Alternating current, single phase, nominally at 230 volts two-wire.

Except that, in certain city districts, alternating current service is at 208 volts two-wire.

RATE PER MONTH:

NOMINAL TANK CAPACITY (IN GALLONS)	RATE
50	$4.00
80	$5.50
110	$7.00

Bills are rendered monthly or bi-monthly, as the Company's rule in force at time and place of service may provide. When bills are rendered bi-monthly, the bill shall be twice the stated monthly bill.

DISCOUNT: 3% for prompt payment.

CONTRACT TERM: This is an open order agreement, terminable on three days written notice by either party.

SEE ALSO THE FOLLOWING RULES:

Rule No. 1 - Choice of Rates
Rule No. 5 - Line Extensions and Service Connections

Exhibit to Answer to Interrogatory No. 16

GENERAL SERVICE RATE

AVAILABILITY OF SERVICE: Persons desiring service for any commercial or industrial purpose, except that this rate cannot be taken in conjunction with the Large General Service Rate.

HOURS OF SERVICE: 24 hour.

CURRENT, PHASE AND VOLTAGE: Alternating current, single phase, nominally at 120 volts, two-wire, or 120-240 volts, three wire: or three phase four-wire, delta connected at 120-240 volts.

Except that, in certain city districts, alternating current is supplied from a Y connected secondary network from which 120 volt two-wire, 120-208 volt three phase four-wire service may be taken.

RATE PER MONTH:
5.15¢ per kilowatthour for the first 100 kilowatthours,
4.15¢ per kilowatthour for the next 500 kilowatthours,
2.65¢ per kilowatthour plus fuel adjustment for the next 4400 kilowatthours,
2.30¢ per kilowatthour plus fuel adjustment for the next 5000 kilowatthours, and
2.05¢ per kilowatthour plus fuel adjustment for the excess.

The fuel adjustment shall consist of an additional .0012¢ per kilowatthour consumed for each full .1¢ increase in the cost of fuel above 28.0¢ per million Btu's or a reduction of .0012¢ per kilowatthour consumed for each full .1¢ in the cost of fuel below 27.0¢ per million Btu's. The price per million Btu during any month shall be the average cost to the Company of 1,000,000 Btu of fuel burned during the preceding month, figured to the nearest one-thousandth of a cent. The cost of fuel shall include the cost of transportation to the Company's generating plants for such fuel, plus any excise or taxes placed upon the purchase or transportation of fuel. Cost of unloading, reloading and storage, switching within or between plants, demurrage and overhead charges, are expressly excluded from this calculation.

DISCOUNT: 3% for prompt payment.

MINIMUM CHARGE: $1.00 per month, less 3% discount for prompt payment.

LAMP SUPPLY: Replacements of approved burned out incandescent lamps will be furnished without extra charge.

CONTRACT TERM: This is an open order agreement, terminable on three days written notice by either party.

SEE ALSO THE FOLLOWING RULES:
Rule No. 1 - Choice of Rates
Rule No. 2 - Line Extensions and Service Connections

Exhibit to Answer to Interrogatory No. 16

LARGE GENERAL SERVICE RATE

AVAILABILITY OF SERVICE: Persons desiring service for any commercial or industrial purpose, except that this rate cannot be taken in conjunction with the General Service Rate.

HOURS OF SERVICE: 24 hour.

CURRENT, PHASE AND VOLTAGE: Alternating current, single phase, nominally at 115 volts, two-wire, or 115-230 volts, three-wire; or three phase four-wire, delta connected at 115-230 volts.

Except that, in certain city districts, alternating current is supplied from a Y connected secondary network from which 120 volt two-wire, 120-208 volt three phase four-wire service may be taken.

RATE PER MONTH:

1st 5 Kw or less	$20.00
Next 195 Kw	3.50/Kw
Excess	2.50/Kw
1st 10,000 Kwhr	1.73¢ + Fuel adjustment
Next 30,000 Kwhr	1.05¢ + Fuel adjustment
Excess	.95¢ + Fuel adjustment

The fuel adjustment shall consist of an additional .0012¢ per kilowatthour consumed for each full .1¢ increase in the cost of fuel above 28.0¢ per million Btu's or a reduction of .0012¢ per kilowatthour consumed for each full .1¢ in the cost of fuel below 27.0¢ per million Btu. The price per million Btu during any month shall be the average cost to the Company of 1,000,000 Btu of fuel burned during the preceding month, figured to the nearest one-thousandth of a cent. The cost of fuel shall include the cost of transportation to the Company's generating plants for such fuel, plus any excise or taxes placed upon the purchase or transportation of fuel. Cost of unloading, reloading and storage, switching within or between plants, demurrage and overhead charges, are expressly excluded from this calculation.

DISCOUNT: 3% for prompt payment.

DEMAND DETERMINATION: Demand indicators are read monthly at the time of the scheduled meter reading. The normal billing demand is the highest single reading of the demand indicator established during the billing period.

(Continued on next page)

Exhibit to Answer to Interrogatory No. 16

LARGE GENERAL SERVICE RATE - Continued

VALLEY HOUR USE: To the highest single demand in each day, excluding valley hours, shall be added one-third of the amount by which it is exceeded by the highest single demand occurring during valley hours on the same calendar day.

MINIMUM CHARGE: The minimum demand charge shall be $20.00 per month, less 3% discount for prompt payment. There is no prescribed minimum energy (kwhr) charge. See Special Minimum Charges, Sheet No. B6.

CONTRACT TERM: For Demands up to 100 Kilowatts: The agreements are open order, terminable on three days written notice by either party.

For demands in Excess of 100 Kilowatts: As to continuity of service and as to demand charge, but not as to kilowatthour rate; the term is two years, extending thereafter from month to month until terminated by mutual consent or on twelve months written notice by either party, which may be given at any time after the end of the first year.

SEE ALSO THE FOLLOWING RULES:

Rule No. 1 - Choice of Rates
Rule No. 4 - Resale of Service
Rule No. 5 - Line Extensions and Service Connections

Exhibit to Answer to Interrogatory No. 16

STANDARD PRIMARY SUPPLY RATE

AVAILABILITY OF SERVICE: Persons who desire service in blocks of not less than 100 kilowatts (except where the Company's lines are underground or may be required to be placed underground, where the minimum demand is 200 kilowatts) and who have their own substation equipment and skilled attendants.

The Company does not hold itself out as ready to serve at this rate the applicant whose requirements are in excess of 1,000 kilowatts, whether that capacity be installed in one block or arrived at by accretions. Such large capacities require special arrangements by both Company and customer.

This rate is not available for that portion of a customer's load used to operate electric arc furnaces for metal melting or reduction of metallic ores, where the largest furnace has a nameplate rating of 5,000 kva or more. See Electric Furnace Rate, Schedule Designation D8.

HOURS OF SERVICE: 24 hours, subject to interruption by agreement, provided, however, that an interruption of more that 30 minutes occurring without prior notice to the customer and due to a cause within the control of the Company shall warrant a credit to the customer's gross bill, before the power factor credit, of 10¢ per kilowatt of demand interrupted per hour of interruption, but not to exceed the demand charge for the month of the interruption.

CURRENT, PHASE, AND VOLTAGE: Alternating current, three phase, delta connected, nominally at 4,800 or 24,000 volts at the option of the Company.

RATE: A monthly demand charge of

$300.00 for the first 100 kilowatts of demand or any less demand,
$3.00 per kilowatt of demand for the next 100 kilowatts,
$2.00 per kilowatt of demand for the next 800 kilowatts,
$1.50 per kilowatt of demand for the next 4,000 kilowatts, and
$1.00 per kilowatt of demand for the excess, plus

An energy charge per kilowatthour of

9.45 mills plus fuel adjustment for the first 50,000 kilowatthours,
8.95 mills plus fuel adjustment for the next 950,000 kilowatthours, and
8.45 mills plus fuel adjustment per kilowatthour for the excess.

(Continued on next page)

Exhibit to Answer to Interrogatory No. 16

STANDARD PRIMARY SUPPLY RATE - Continued

The fuel adjustment shall consist of an additional .0011¢ per kilowatthour consumed for each full .1¢ increase in the cost of fuel above 28.0¢ per million Btu's or a reduction of .0011¢ per kilowatthour consumed for each full .1¢ in the cost of fuel below 27.0¢ per million Btu's. The price per million Btu during any month shall be the average cost to the Company of 1,000,000 Btu of fuel burned during the preceding month, figured to the nearest one-thousandth of a cent. The cost of fuel shall include the cost of transportation to the Company's generating plants for such fuel, plus any excise or taxes placed upon the purchase or transportation of fuel. Cost of unloading, reloading and storage, switching within or between plants, demurrage and overhead charges, are expressly excluded from this calculation.

DISCOUNT: 3% for prompt payment.

DEMAND DETERMINATION: The daily demand is the average of the three highest readings of the demand indicator in each day, or two-thirds of the one highest reading, whichever is higher. The normal billing demand is the highest daily demand established during the billing period.

VALLEY HOUR USE: To the average of the three highest demands occurring in each day, excluding valley hours (or two-thirds of the single highest demand in the same period, whichever is higher), shall be added one-third of the amount by which it is exceeded by the highest single demand occurring during valley hours on the same calendar day.

POWER FACTOR CREDITS: Credits are allowed for Power Factors of .750 and higher in accordance with the following table:

POWER FACTOR	CREDIT ALLOWED
.749 and lower	None
.750 to .799	1%
.800 to .849	2%
.850 to 1.000	3%

No credit greater than 3% will be allowed for leading power factors. The Power Factor credit shall be deducted before applying the prompt payment discount and shall not reduce the prescribed minimum charge.

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Exhibit to Answer to Interrogatory No. 16

STANDARD PRIMARY SUPPLY RATE - Continued

MINIMUM CHARGE: The demand charge as above (except that in underground districts, the minimum demand charge is $600.00 per month) less 3% discount for prompt payment. See Special Minimum Charges, Sheet No. B6.

CONTRACT TERM: As to continuity of service and as to demand charge, but not as to kilowatthour rate: the term is two years, extending thereafter from month to month until terminated by mutual consent or on twelve months written notice by either party, which may be given at any time after the end of the first year.

SEE ASLO THE FOLLOWING RULES:

Rule No. 1 - Choice of Rates
Rule No. 2 - Schedule of Valley Hours
Rule No. 3 - Power Factor Determination
Rule No. 4 - Resale of Service
Rule No. 5 - Line Extensions and Service Connections

Exhibit to Answer to Interrogatory No. 16

ALTERNATIVE PRIMARY SUPPLY RATE

AVAILABILITY OF SERVICE: Persons who desire service in blocks of not less than 500 kilowatts and who have their own substation equipment and skilled attendants.

The Company does not hold itself out as ready to serve, at this rate, the applicant whose requirements are in excess of 1,000 kilowatts, whether that capacity be installed in one block or arrived at by accretions. Such large capacities require special arrangements by both Company and customer.

This rate is not available for that portion of a customer's load used to operate electric arc furnaces for metal melting or reduction of metallic ores, where the largest furnace has a nameplate rating of 5,000 kva or more. See Electric Furnace Rate, Schedule Designation D8.

HOURS OF SERVICE: 24 hours, subject to interruption by agreement, provided, however, that an interruption of more than 30 minutes occuring without prior notice to the customer and due to a cause within the control of the Company shall warrant a credit to the customer's gross bill, before the power factor credit, of 10¢ per kilowatt of demand interrupted per hour of interruption, but not to exceed the demand charge for the month of the interruption.

CURRENT, PHASE AND VOLTAGE: Alternating current, three phase, delta connected, nominally at 4,800 or 24,000 volts at the option of the Company.

RATE: A monthly demand charge of

$2,000 for the first 500 kilowatts of demand or any less demand,
$3.50 per kilowatt of demand for the next 500 kilowatts,
$3.00 per kilowatt of demand for the next 4,000 kilowatts,
$2.50 per kilowatt of demand for the next 5,000 kilowatts,
$2.00 per kilowatt of demand for the next 10,000 kilowatts, and
$1.50 per kilowatt of demand for the excess, plus

An energy charge per kilowatthour of 5.95 mills plus fuel adjustment.

(Continued on next sheet)

Exhibit to Answer to Interrogatory No. 16

ALTERNATIVE PRIMARY SUPPLY RATE - Continued

The fuel adjustment shall consist of an additional .0011¢ per kilowatthour consumed for each full .1¢ increase in the cost of fuel above 28.0¢ per million Btu's or a reduction of .0011¢ per kilowatthour consumed for each full .1¢ in the cost of fuel below 27.0¢ per million Btu's. The price per million Btu during any month shall be the average cost to the Company of 1,000,000 Btu of fuel burned during the preceding month, figured to the nearest one-thousandth of a cent. The cost of fuel shall include the cost of transportation to the Company's generating plants for such fuel, plus any excise or taxes placed upon the purchase or transportation of fuel. Cost of unloading, reloading and storage, switching within or between plants, demurrage and overhead charges, are expressly excluded from this calculation.

DISCOUNT: 3% for prompt payment.

DEMAND DETERMINATION: The daily demand is the average of the three highest readings of the demand indicator in each day, or two-thirds of the one highest reading, whichever is higher. The normal billing demand is the highest daily demand established during the billing period.

VALLEY HOUR USE: To the average of the three highest demands occurring in each day, excluding valley hours (or two-thirds of the single highest demand in the same period, whichever is higher), shall be added one-third of the amount by which it is exceeded by the highest single demand occurring during valley hours on the same calendar day.

POWER FACTOR CREDITS: Credits are allowed for Power Factors of .750 and higher in accordance with the following table:

POWER FACTOR	CREDIT ALLOWED
.749 and lower	None
.750 to .799	1%
.800 to .849	1%
.850 to 1.000	3%

No credit greater than 3% will be allowed for leading power factors. The Power Factor credit shall be deducted before applying the prompt payment discount and shall not reduce the prescribed minimum charge.

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Exhibit to Answer to Interrogatory No. 16

ALTERNATIVE PRIMARY SUPPLY RATE - Continued

MINIMUM CHARGE: The demand charge as above, less 3% discount for prompt payment. See Special Minimum Charges, Sheet No. B6.

CONTRACT TERM: As to continuity of service and as to demand charge, but not as to kilowatthour rate: the term is two years, extending thereafter from month to month until terminated by mutual consent or on twelve months written notice by either party, which may be given at any time after the end of the first year.

SEE ALSO THE FOLLOWING RULES:

Rule No. 1 - Choice of Rates
Rule No. 2 - Schedule of Valley Hours
Rule No. 3 - Power Factor Determination
Rule No. 4 - Resale of Service
Rule No. 5 - Line Extensions and Service Connections

Exhibit to Answer to Interrogatory No. 16

ELECTRIC FURNACE RATE

AVAILABILITY OF SERVICE: Customers operating electric arc furnaces for metal melting or the reduction of metallic ores will be required to take service at this rate for the furnace load where the largest furnace has a nameplate rating of 5,000 kva or more. Such large capacities require special arrangements by both Company and customer.

HOURS OF SERVICE: 24 hours, subject to interruption by agreement, provided, however, that an interruption of more than 30 minutes occurring without prior notice to the customer and due to a cause within the control of the Company shall warrant a credit to the customer's gross bill of 10¢ per kilovolt-ampere of demand interrupted per hour of interruption, but not to exceed the demand charge for the month of the interruption.

CURRENT, PHASE AND VOLTAGE: Alternating current, three phase, nominally at 24,000 or 40,000 volts at the option of the Company.

RATE: A monthly demand charge of
$2.00 per kva of demand for the first 5,000 kva, and
$1.25 per kva of demand for the excess, plus

An energy charge per kilowatthour of 5.45 mills plus fuel adjustment.

The fuel adjustment shall consist of an additional .0011¢ per kilowatthour consumed for each full .1¢ increase in the cost of fuel above 28.0¢ per million Btu's or a reduction of .0011¢ per kilowatthour consumed for each full .1¢ in the cost of fuel below 27.0¢ per million Btu's. The price per million Btu during any month shall be the average cost to the Company of 1,000,000 Btu of fuel burned during the preceding month, figured to the nearest one-thousandth of a cent. The cost of fuel shall include the cost of transportation to the Company's generating plants for such fuel, plus any excise or taxes placed upon the purchase or transportation of fuel. Cost of unloading, reloading and storage, switching within or between plants, demurrage and overhead charges, are expressly excluded from this calculation.

DISCOUNT: 3% for prompt payment.

MINIMUM CHARGE: This rate is subject to a minimum monthly charge of $1.00 (gross) per month per kilovolt-ampere of reservation then in effect subject to the prescribed discount for prompt payment.

The reservation is established initially by mutual agreement and thereafter by the highest single reading of the demand meter in any month that exceeds the reservation then in effect. The reservation, however established, shall not be decreased for 12 months after the establishment and then only upon request by the customer. At the time of such request, the new reservation shall be established by mutual agreement between the Company and the customer.

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Exhibit to Answer to Interrogatory No. 16

ELECTRIC FURNACE RATE - Continued

MONTHLY BILLING DEMAND: The daily demand is the average of the three highest 15 minute integrated readings of the demand meter in each day, or two-thirds of the one highest 15-minute integrated reading, whichever is higher. The normal billing demand in kilovolt-amperes is the highest daily demand established during the billing period.

VALLEY HOUR USE: To the average of the three highest demands occuring in each day, excluding valley hours (or two-thirds of the single highest demand in the same period, whichever is higher), shall be added one-third of the amount by which it is exceeded by the highest single demand occurring during valley hours on the same calendar day.

CONTRACT TERM: Special terms taking into consideration the facilities to be furnished by the Company in serving the load. As to continuity of service and as to minimum charge, but not as to rate, contracts will be taken for initial periods of not less than three years, extending thereafter from month to month until terminated by mutual consent or on twelve months written notice by either party, which may be given at any time after the end of the second year.

SPECIAL TERMS AND CONDITIONS: Because of special technical and economic difficulties inherent in the operation of electric arc furnaces, the Company guarantees that service to such furnaces shall not be charged at more than the rate stated in Standard Contract Rider No. 1 - Electric Metal Melting, all subject to the monthly minimum charge.

Service to the non-furnace load will be supplied at regular primary rates. Customers must provide separate circuits for the furnace load and non-furnace load so that the Company may install necessary meters.

To integrate the electric supply to such large capacities and to stabilize and control voltage fluctuations the Company will ordinarily furnish and operate such major corrective equipment and will provide switchgear to individual furnace feeds, as may be required for system operation.

Exhibit to Answer to Interrogatory No. 16

MUNICIPAL PUMPING RATE

(At Primary Voltage)

AVAILABILITY OF SERVICE: Municipalities who desire service for pumping and who have their own substation equipment and skilled attendants, and who purchase annually 500,000 kilowatthours or more.

The Company does not hold itself out as ready to serve at this rate the applicant whose requirements are in excess of 1000 kilowatts, whether that capacity be installed in one block or arrived at by accretions. Such large capacities require special arrangements by both Company and customer.

HOURS OF SERVICE: 24 hour, subject to stoppage on nights, Sundays and holidays to permit work on lines.

CURRENT, PHASE AND VOLTAGE: Alternating current, three phase, delta connected, nominally at 4,600 or 23,000 volts, at the option of the Company.

RATE:

1.445¢ plus fuel adjustment per kwhr for the first 10,000 kwhr per month,
1.145¢ plus fuel adjustment per kwhr for the next 10,000 kwhr per month,
1.045¢ plus fuel adjustment per kwhr for the next 30,000 kwhr per month,
.945¢ plus fuel adjustment per kwhr for the next 50,000 kwhr per month, and
.845¢ plus fuel adjustment per kwhr for the excess.

The fuel adjustment shall consist of an additional .0011¢ per kilowatthour consumed for each full .1¢ increase in the cost of fuel above 28.0¢ per million Btu's or a reduction of .0011¢ per kilowatthour consumed for each full .1¢ in the cost of fuel below 27.0¢ per million Btu's. The price per million Btu during any month shall be the average cost to the Company of 1,000,000 Btu of fuel burned during the preceding month, figured to the nearest one-thousandth of a cent. The cost of fuel shall include the cost of transportation to the Company's generating plants for such fuel, plus any excise or taxes placed upon the purchase or transportation of fuel. Cost of unloading, reloading and storage, switching within or between plants, demurrage and overhead charges, are expressly excluded from this calculation.

DISCOUNT: 2% for prompt payment.

MINIMUM CHARGE: No minimum charge, but failure to purchase at least 500,000 kilowatthours in any one fiscal year shall terminate the contract. See Special Minimum Charges, Sheet No. B6.

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Exhibit to Answer to Interrogatory No. 16

MUNICIPAL PUMPING RATE - Continued

(At Primary Voltage)

CONTRACT TERM: This is a five year agreement (except as terminated by failure to purchase at least 500,000 kilowatthours per year) extending thereafter from month to month until terminated by mutual consent or by twelve months written notice by either party, which may be given at any time after the end of the fourth year.

SEE ALSO THE FOLLOWING RULES:

Rule No. 1 - Choice of Rates
Rule No. 5 - Line Extensions and Service Connections

Exhibit to Answer to Interrogatory No. 16

MUNICIPAL PUMPING RATE

(At Secondary Voltage)

AVAILABILITY OF SERVICE: Municipalities who desire service for pumping.

HOURS OF SERVICE: 24 hour.

CURRENT, PHASE AND VOLTAGE: Alternating current, single phase two-wire or three phase delta connected three-wire, at 230 volts.

Except in certain city districts, where alternating current service is single phase two-wire, or three phase Y connected four-wire, at 208 volts and direct current service (of limited availability) is at 240 volts two-wire.

RATE: 3¢ per kwhr for the first 5,000 kwhr per month,
1.60¢ per kwhr for the next 5,000 kwhr per month, and
1.38¢ plus fuel adjustment for the excess.

The fuel adjustment shall consist of an additional .0012¢ per kilowatthour consumed for each full .1¢ increase in the cost of fuel above 28.0¢ per million Btu's or a reduction of .0012¢ per kilowatthour consumed for each full .1¢ in the cost of fuel below 27.0¢ per million Btu's. The price per million Btu during any month shall be the average cost to the Company of 1,000,000 Btu of fuel burned during the preceding month, figured to the nearest one-thousandth of a cent. The cost of fuel shall include the cost of transportation to the Company's generating plants for such fuel, plus any excise or taxes placed upon the purchase or transportation of fuel. Cost of unloading, reloading and storage, switching within or between plants, demurrage and overhead charges, are expressly excluded from this calculation.

DISCOUNT: 3% for prompt payment.

MINIMUM CHARGE: $2.00 per month, less 3% discount for prompt payment.

CONTRACT TERM: This is an open order agreement, terminable on three days written notice by either party.

SEE ALSO THE FOLLOWING RULES:
Rule No. 1 - Choice of Rates
Rule No. 5 - Line Extensions and Service Connections

Exhibit to Answer to Interrogatory No. 16

STANDARD CONTRACT RIDER NO. 1
ELECTRIC METAL MELTING

APPLICABLE TO:

Standard Primary Supply Rate	Schedule Designation D5
Alternative Primary Supply Rate	Schedule Designation D6
Electric Furnace Rate	Schedule Designation D8

Because of special economic and technical difficulties inherent in the operation of electric metal melting furnaces, the Company desires to encourage and assist the development of the art. Consequently for those furnaces operated by customers taking their supply at a primary rate and who provide a special circuit for the furnace so that the Company may install necessary meters, the Company guarantees that service to such furnaces shall not be charged at more than the following rate per month.

RATE: 1.26¢ per kilowatthour for the first 1,000,000 kilowatthours, and 1.145¢ plus fuel adjustment.

The fuel adjustment shall consist of an additional .0011¢ per kilowatthour consumed for each full .1¢ increase in the cost of fuel above 28.0¢ per million Btu's or a reduction of .0011¢ per kilowatthour consumed for each full .1¢ in the cost of fuel below 27.0¢ per million Btu's. The price per million Btu during any month shall be the average cost to the Company of 1,000,000 Btu of fuel burned during the preceding month, figured to the nearest one-thousandth of a cent. The cost of fuel shall include the cost of transportation to the Company's generating plants for such fuel, plus any excise or taxes placed upon the purchase or transportation of fuel. Cost of unloading, reloading and storage, switching within or between plants, demurrage and overhead charges, are expressly excluded from this calculation.

DISCOUNT: 3% for prompt payment.

SERVICE AT STANDARD AND ALTERNATIVE PRIMARY SUPPLY RATES: The customer will be charged regular primary rates for his total load, or regular primary rates for the non-furnace load plus the above rate (less 3% for prompt payment) for furnace consumption, whichever is less.

This guarantee shall not be applied so as to reduce the minimum charge under the primary contract, as it may be applied to non-furnace load.

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STANDARD CONTRACT RIDER NO. 1
ELECTRIC METAL MELTING-Continued

SERVICE AT ELECTRIC FURNACE RATE: The customer will be charged the applicable rate for the furnace load or the above rate (less 3% for prompt payment), whichever is less.

This guarantee shall not be applied so as to reduce the prescribed minimum charge.

CONTRACT TERM: This rate is made effective by a rider modifying the contract form prescribed for one of the applicable rates.

STANDARD CONTRACT RIDER NO. 5
APARTMENTS AND ROOMING HOUSES

APPLICABLE TO:

Large General Service Rate — Schedule Designation D4

The application of this rider is limited to those customers taking service under these provisions on November 30, 1964. These provisions are withdrawn for new business.

RECKONING OF DEMAND: Apartment houses may elect to be billed at a reckoned demand of 400 watts per apartment in lieu of a metered demand. Every apartment, occupied or vacant, shall be counted in reckoning the demand. Rooming houses may elect to be billed at a reckoned demand of 100 watts per room in lieu of a metered demand. The number of rooms shall be determined as two less than the customary real estate count. For both apartment houses and rooming houses, if the apparent hours of use of the demand reckoned as above exceed 400 hours per month, the demand will be reckoned by dividing the metered kilowatthours by 400 hours. If the demand be reckoned as above, all kilowatthours shall be billed at 1.73¢ per kilowatthour plus fuel adjustment, less the prescribed discount for prompt payment.

RATE PER MONTH:

1st 5 Kw or less	$4.00/Kw
Next 195 Kw	3.50/Kw
Excess	2.50/Kw
All kilowatthours	1.73¢ + Fuel adjustment

The fuel adjustment shall consist of an additional .0012¢ per kilowatthour consumed for each full .1¢ increase in the cost of fuel above 28.0¢ per million Btu's or a reduction of .0012¢ per kilowatthour consumed for each full .1¢ in the cost of fuel below 27.0¢ per million Btu. The price per million Btu during any month shall be the average cost to the Company of 1,000,000 Btu of fuel burned during the preceding month, figured to the nearest one-thousandth of a cent. The cost of fuel shall include the cost of transportation to the Company's generating plants for such fuel, plus any excise or taxes placed upon the purchase or transportation of fuel. Cost of unloading, reloading and storage, switching within or between plants, demurrage and overhead charges, are expressly excluded from this calculation.

DISCOUNT: 3% for prompt payment.

(Continued on next page)

Exhibit to Answer to Interrogatory No. 16

STANDARD CONTRACT RIDER NO. 5
APARTMENTS AND ROOMING HOUSES -Continued

MINIMUM CHARGE: The minimum demand charge shall be $2.00 per month, less 3% discount for prompt payment. There is no prescribed minimum energy (kwhr) charge.

CONTRACT TERM: The operator of an apartment or rooming house in order to avail himself of the reckoned demand privelege must have provided for it in his agreement for service. In the event an account is closed at a given location, the above provisions are terminated with respect to that location.

Deposition Exhibit No. 2

Deposition Exhibit No. 2, Being the Lamp Test Report from General Electric Company.

Page 1946

Manufacturer ---------- General Electric Company
Test Location ---------- Hale Park
Period or Date of Manufacture ---- September 1971 through February 1972

	25A	60A/3/SE	75A/3/SE	100A/3/SE	150A/3/SE
1. Ordering Abbreviation	90	90	89	90	90
2. Number of Lamps Tested	90	90	89	90	90
3. Average Initial Watts	25.17	59.91	76.29	99.55	149.1
4. Average Watts at 70% Life	23.63	58.25	72.82	97.25	---
5. Rated Initial Lumens	235.0	845.0	1110.0	1620	2700
6. Average Initial Lumens	233.2	828.8	1083.0	1628	2563
7. Average Lumens at 70% Life	186.5	765.1	1003.8	1482	---
8. Rated Life	2500	1350	1350	1350	1350
9. Average Life-Hours	2151	1336	1363	1170	1832

VAB/bag
September 18, 1972

Plf's Depo. Ex. #2 1-10-74-KLE

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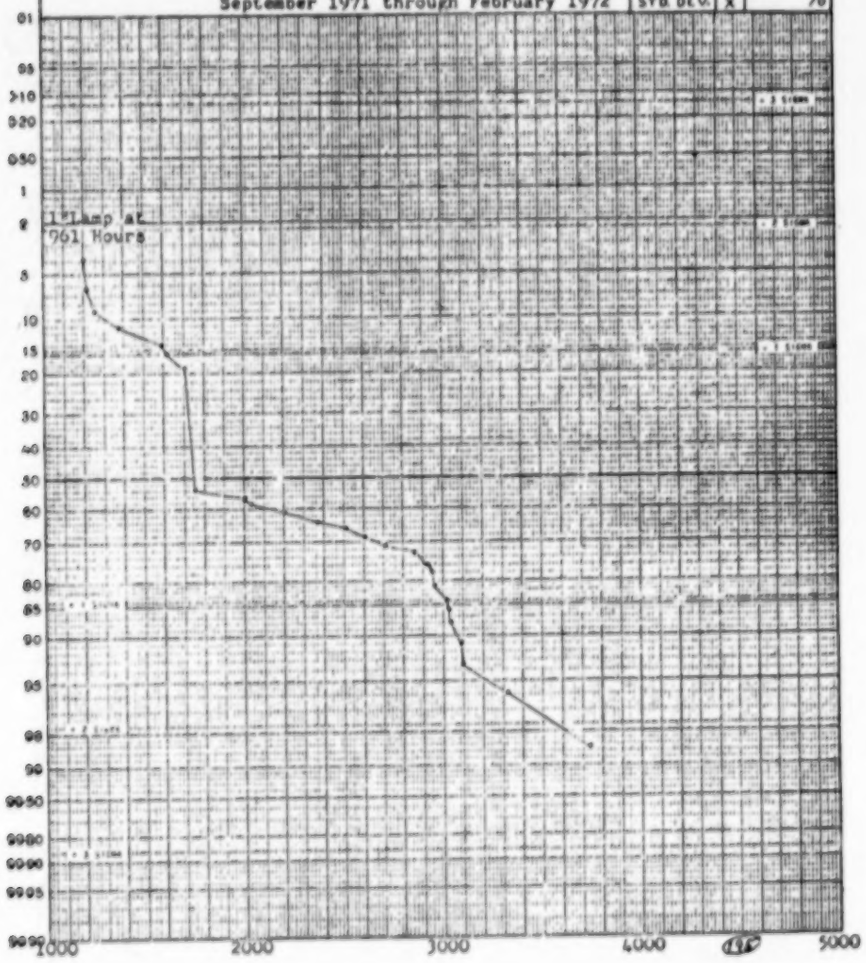
Deposition Exhibit No. 2

PROBABILITY CHART

DATE Sept.14,1972

ARTICLE & SOURCE	25A--Standard Voltage	NUMBER OF UNITS	N	40
CHARACTERISTIC	Life in Hours	AVERAGE	$\bar{X}$	
OTHER IDENTIFICATION	Product Appraisal Report	STANDARD DEVIATION	σ	
	September 1971 through February 1972	PERCENT STD. DEV.	$\frac{\sigma}{\bar{X}}$	%

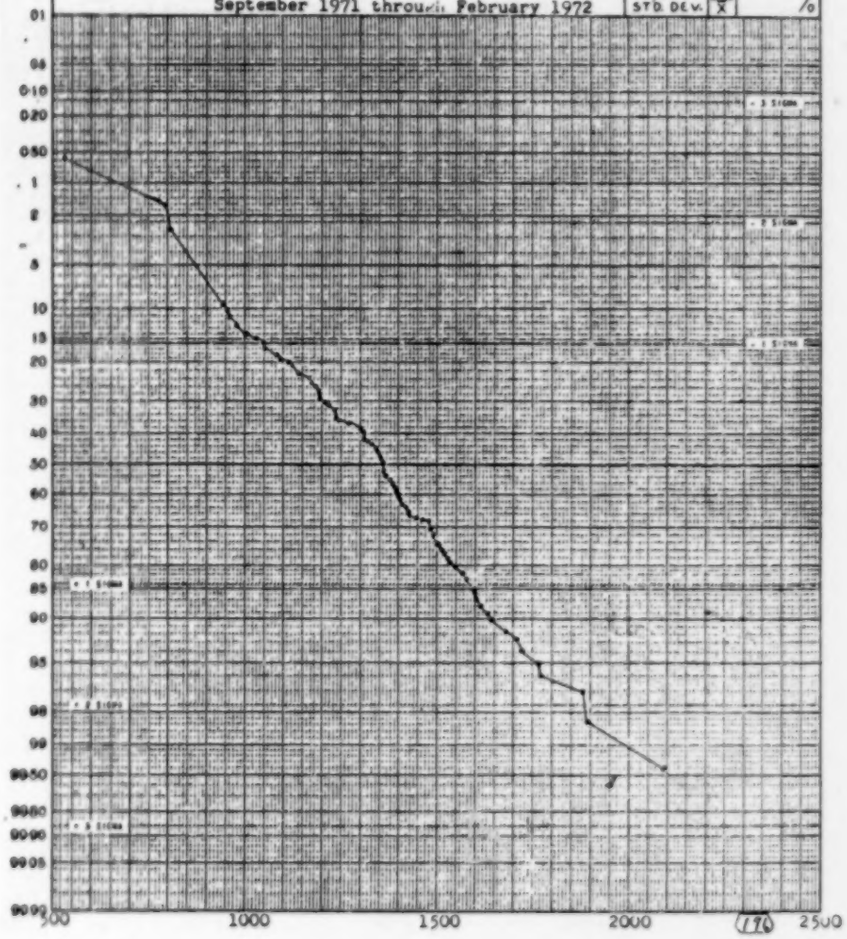


Deposition Exhibit No. 2

PROBABILITY CHART

DATE Sept.14,1972

ARTICLE & SOURCE	60A/3/DE--Standard Voltage	NUMBER OF UNITS	N	90
CHARACTERISTIC	Life in Hours	AVERAGE	$\bar{X}$	
OTHER IDENTIFICATION	Product Appraisal Report	STANDARD DEVIATION	σ	
	September 1971 through February 1972	PERCENT STD. DEV.	$\frac{\sigma}{\bar{X}}$	%

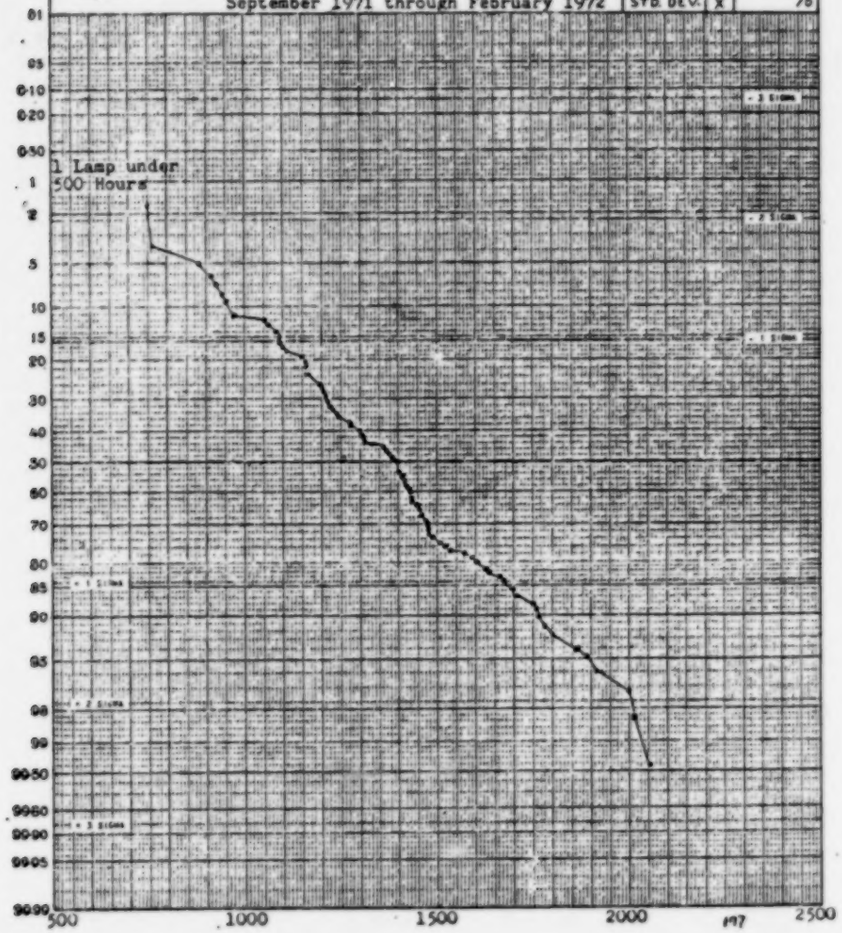


Deposition Exhibit No. 2

PROBABILITY CHART

DATE Sept.14,1972

ARTICLE & SOURCE	75A/3/DE--Standard Voltage	NUMBER OF UNITS	N	89
CHARACTERISTIC	Life in Hours	AVERAGE	$\bar{X}$	
OTHER IDENTIFICATION	Product Appraisal Report	STANDARD DEVIATION	σ	
	September 1971 through February 1972	PERCENT STD DEV.	$\frac{100\sigma}{\bar{X}}$	%

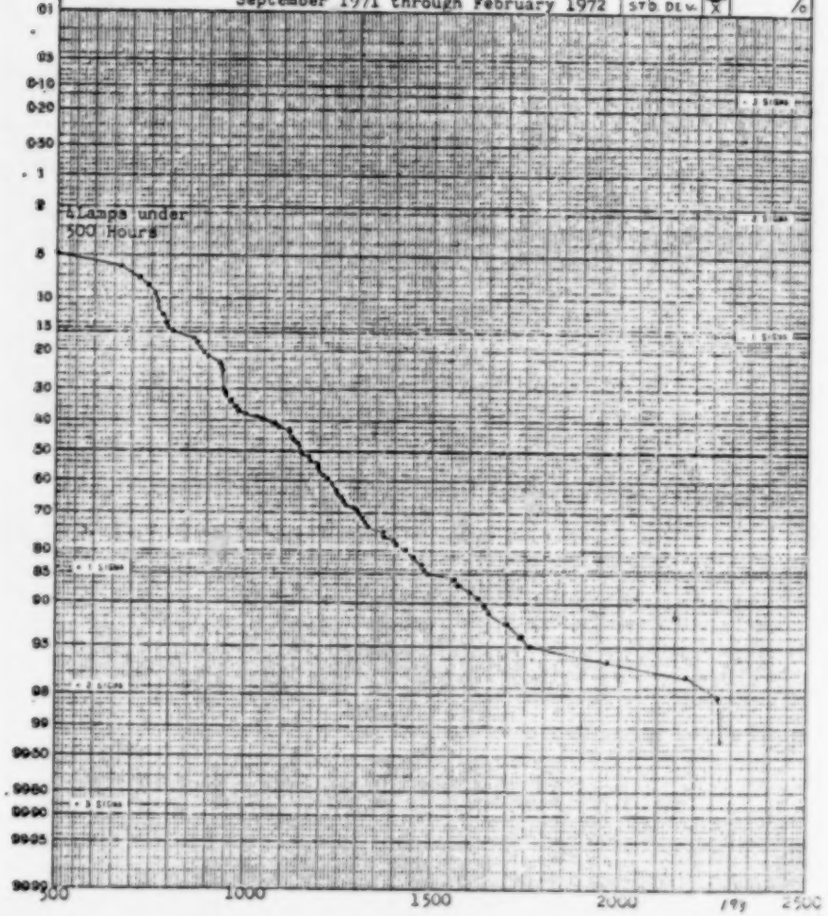


Deposition Exhibit No. 2

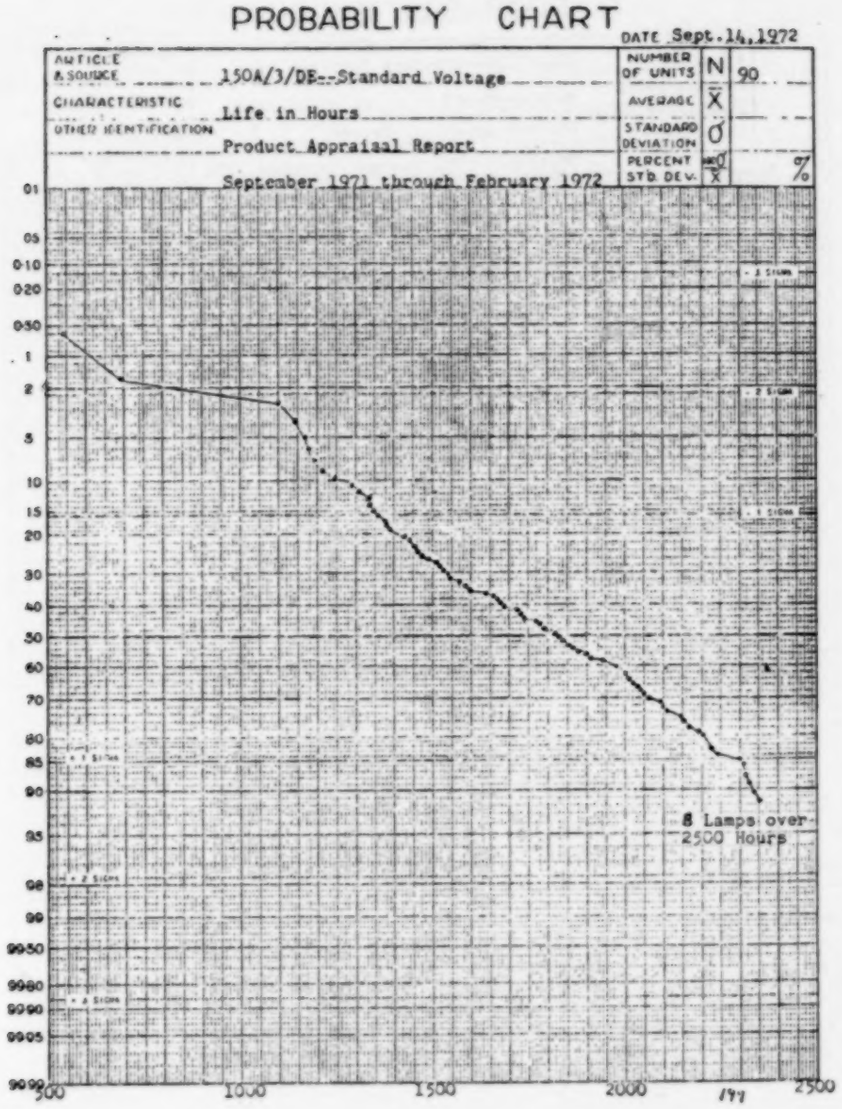
PROBABILITY CHART

DATE Sept.14,1972

ARTICLE & SOURCE	100A/3/DE--Standard Voltage	NUMBER OF UNITS	N	90
CHARACTERISTIC	Life in Hours	AVERAGE	$\bar{X}$	
OTHER IDENTIFICATION	Product Appraisal Report	STANDARD DEVIATION	σ	
	September 1971 through February 1972	PERCENT STD DEV.	$\frac{100\sigma}{\bar{X}}$	%



Deposition Exhibit No. 2



Edison's Purchase Analysis Report, Etc.

Edison's Purchase Analysis Report bearing No. M-300206 dated December 18, 1972, Being Edison's analysis covering purchase of bulbs for the lamp program for 1973.

M-300206

PURCHASE ANALYSIS REPORT

CLASS 80

DESCRIPTION: Lamps - Free Removal

LOCATION OR JOB: All Marketing Offices

USING DEPT.: Marketing

BUYER: D. J. Carrier

TOTAL VALUE: Est. $2,216,830.00

PRICE BASIS: Firm

P.O. NO.: M-300208

DATE: 12/18/72

VENDOR: 1. General Electric Lamp

COVERAGE: 1 year

DATES: 12/71 12/72

LABOR RATE: 3.60 3.85

COMMODITY INDEX: 114.6 120.2

PRICE	QUALITY	PAST SERVICES	PAST APPROVED VENDORS	O.E.M. PERFORMANCE PARTS	ENGINEERING PREFERENCE	DESIGN STANDARD	DELIVERY
X	X	X					

Est. $2,118,335.00

201

The attached quotation work sheets on our 1973 requirements received from General Electric, Sylvania and Westinghouse were reviewed and evaluated by Purchasing and Marketing Management. Price, quality, and service furnished by each supplier were carefully analyzed - see attached rating sheets. General Electric was rated superior, and it was decided to award them a contract for our entire requirement of exchange lamps.

Vendor	Total
General Electric	$2,216,830.00
Westinghouse	$2,118,467.00
Sylvania	$2,416,448.00

PREVIOUS PURCHASES:

General Electric M-200222 12/15/71

also mailed to: Sylvania
Westinghouse

AREA CODE 313
TELEPHONE 962-2100

THE DETROIT EDISON COMPANY
2000 SECOND AVENUE
DETROIT, MICHIGAN 48226

November 16, 1971

General Electric
Lamp Department
15135 Hamilton Avenue
Highland Park, Michigan

Gentlemen:

Please furnish your 1972 proposal for exchange lamps and Company use lamps by December 6, 1971.

Trade discount, cash discount and price protection should be included.

DJC

Donald J. Carrier, Buyer
Materials, Supplies &
Office Equipment

DJC/pay

Date ??

GENERAL ELECTRIC

GENERAL ELECTRIC COMPANY, 15135 HAMILTON AVENUE, DETROIT, MICHIGAN 48203
Phone (313) 883-0200

LAMP SALES
DEPARTMENT
GREAT LAKES SALES REGION

November 6, 1972

The Detroit Edison Co.
2000 Second Avenue
Detroit, Michigan 48226

Attention: Mr. Don Carrier

Gentlemen:

Subject: Detroit Edison Renewal Lamp Requirements 1973

We are pleased to offer the following prices and terms for your 1973 Exchange Lamp requirements:

1. Exchange Lamp requirements at net prices on the attached net price schedule firm for 1973.

2. An additional discount from net prices based on annual purchases in accordance with the following schedule:

Additional Discount Schedule

Calendar Year Purchase	Discount
Up to 600	0
600 to 900	2%
900 to 1,200	3%
1,200 to 1,500	4%
1,500 to 1,800	5%
1,800 to 2,100	6%
2,100 to 2,400	7%
2,400 and up	8%

We have not yet been requested to quote the other areas of your lamp requirements--street lighting, maintenance, etc. However, at the time that these requirements are quoted, we will include the purchases in these areas towards the steps shown. In other words, all lamp purchases (including exchange lamps) will be counted towards the steps shown above to earn additional discounts.

3. Payment terms 2% cash discount, 5th and 20th prox.

4. Continuation of Consignment Agreement presently in place for Exchange Lamps.

Sincerely,

L. Todd Bower

LTB:ccc

1973 Detroit Edison Exchange Lamps

Lamp	Net Price
60A/3/DE	.114
75A/3/DE	.114
100A/3/DE	.114
150A/3/DE	.156
200A/3/DE	.173
300M/3IF/DE	.263
300/IF/DE	.340
500/IF/DE	.474
50/150A/DE	.273
50/250M/W/DE	.323
100A/RS/DE	.191
100/300/DE	.440

* remarketed by G.E.

GENERAL ELECTRIC

GENERAL ELECTRIC COMPANY, 15135 HAMILTON AVENUE, DETROIT, MICHIGAN 48203
Phone (313) 883-0200

LAMP SALES
DEPARTMENT
GREAT LAKES SALES REGION

January 15, 1973

Mr. Harold McDonald
The Detroit Edison Co.
2000 2nd Avenue
Detroit, Michigan 48226

Dear Harold,

Subject: Detroit Edison Exchange Lamps-1973
Reference: Detroit Edison P.O. #M300206

Upon your request to relist the 25A/3/DE lamp to your Exchange list, I wish to enter our quotation:

Lamp	Net Price
25A/3/DE	$.117

This lamp net price is the same as quoted for 1972, and is subject to an additional discount of 10%, as well as other terms stated in our quotation of November 17, 1972.

Yours very truly,

L. Todd Bower

LTB:acc

Westinghouse Electric Corporation Consumer Products

Lamp Division
1560 Stadium Drive
Indianapolis Indiana 46202
(317) 632 3301

CONSUMER LAMP DIVISION

November 3, 1972

Detroit Edison Company
2000 Second Avenue
Detroit, Michigan 48226

ATTENTION: Mr. D. J. Carrier, Buyer

SUBJECT: Renewal Service Lamp Requirements of 1973

Dear Mr. Carrier:

On behalf of the Westinghouse Lamp Division I express a sincere appreciation for the opportunity to submit this letter of quotation to the Detroit Edison Company regarding the Renewal Service Lamps required for 1973.

This quotation is presented in three parts, with each price structure being determined by the volume awarded to Westinghouse in the event that we are selected as the lamp supplier to the Detroit Edison Company.

The following prices will be in effect throughout the entire year of 1973 and will be billed at net prices as shown: (F.O.B.)

Mr. D. J. Carrier
November 3, 1972

Renewal Service Lamp
Requirements of 1973

LAMP TYPE	WESTINGHOUSE PRODUCT NUMBER	* EST. REQUIREMENTS TWELVE MONTHS 1/2	NET PRICES 0-24%	25-49%	50-100%
60A	327783	6,267,000	.106	.102	.098
75A	327791	5,940,000	.106	.102	.098
100A	327809	6,800,000	.106	.102	.098
150A	327817	2,009,000	.162	.156	.150
50/150A	327825	627,000	.274	.263	.250
50/250A	327833	1,280,000	.319	.306	.297
200A	330423	693,000	.176	.169	.162
100A/RS	257543	153,000	.209	.203	.195
300A	384859	196,000	.260	.250	.240
300	258160	35,000	.340	.327	.312
500IF	354233	14,000	.485	.467	.446

* Please note that the estimated quantities are based on the nine months figure supplied in your letter of October 18, 1972, plus a computed three month figure. It is understood that these quantities are only estimates of actual requirements.

Est quantities used for all NRL prices above are applicable to the lower estimated annual usage

All shipments will be made prepaid to point of delivery with terms of 2% 10th Proximo Net E.O.M.

I trust that the above prices will meet with your approval and serve as a significant factor in maintaining your purchase prices at the lowest possible level.

Although lamp costs are a major factor in the selection of your lamp supplier, I look forward to the opportunity of developing programs beneficial to Detroit Edison and Westinghouse such as performance contests, increased wattage programs, and etc.

My association with the Detroit Edison Company during 1972 has been most beneficial in enabling me to understand your needs and how I can best be of service. Westinghouse has assigned me to the Detroit Edison account and my relocation will permit me to maintain an even closer contact with all principals and District offices.

The entire management team at the Westinghouse Lamp Division shares in my eagerness and sincerity to serve.

If you have any questions regarding this letter of quotation, I can assure you of my assistance in establishing complete clarification.

Very truly yours,

WESTINGHOUSE ELECTRIC CORP.

W. J. Sheehy
SALES REPRESENTATIVE
INDPLS CONSUMER LAMP DIV.

WJS/amg

C.C. Mr. H. McDonald
Supervisor of Materials and Supplies

SYLVANIA

Lighting Products Group
Industrial Commercial Division
18600 Ford Road
Dearborn, Michigan 48126
313 982-9754

November 6, 1972

Mr. Donald J. Carrier, Buyer
Materials, Supplies and Office Equipment
The Detroit Edison Company
2000 Second Avenue
Detroit, Michigan 48226

Dear Mr. Carrier:

In reference to your letter of October 18, 1972, Sylvania Electric's quotation to The Detroit Edison Company on 1973 requirements for free renewal lamps is outlined on the attached page.

These are net prices to Detroit Edison and are firm for the year 1973. Our delivery and payment terms are as follows:

Delivery Terms: FOB Sylvania Warehouse
Transportation Prepaid

Payment Terms: 2% - 15th first month.

Sincerely,

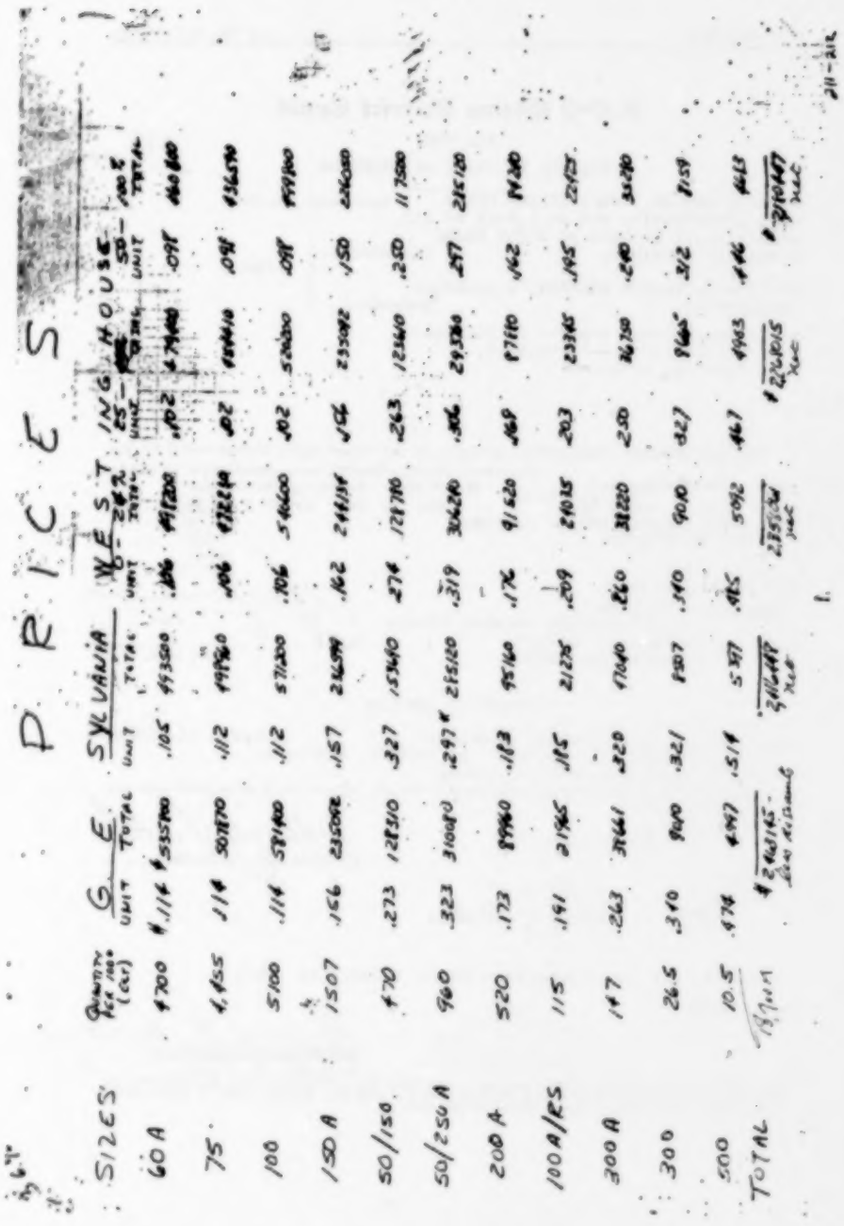
GTE SYLVANIA, INC.

W. E. Davis
District Sales Manager

WED:jb

A part of General Telephone & Electronics

DESCRIPTION	DETROIT EDISON STOCK NBR.	NET PRICE
60A	802-0060	.105
75A	802-0075	.112
100A	802-0100	.112
150A	802-0150	.157
50/250	802-0097	.327
200A	802-0200	.183
100A/RS	802-0012	.185
300M	802-0310	.32
300 Mog.	802-0300	.321
500IF	802-0305	.514



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CIVIL SUBPOENA — D.C. Form No. 1 (Rev. 1-61)

United States District Court

FOR THE

EASTERN DISTRICT OF MICHIGAN

213

LAWRENCE CANTOR, d/b/a SELDON DRUGS CO., Individually and on behalf of all other retail sellers of light bulbs similarly situated, Plaintiffs,

vs.

THE DETROIT EDISON COMPANY, a Michigan corporation, Defendant,

CIVIL ACTION FILE NO. 4-70026

To: Kenneth Croy, employe of Michigan Public Service Commission, Lansing, Michigan

YOU ARE HEREBY COMMANDED to appear in the United States District Court for the Eastern District of Michigan, Southern Division, at U.S. Courthouse and Federal Bldg. in the city of Detroit, Michigan on the 22nd day of April, 1974, at Two o'clock P. M. to testify on behalf of The Detroit Edison Company in the above entitled action.

April 19, 1974

Christopher C. Nern
Attorney for Defendant Detroit Edison
2000 Second Avenue, Detroit,
Address Michigan 48226

Clerk.

By _____ Deputy Clerk.

RETURN ON SERVICE

Received this subpoena at Detroit, Michigan, on April 19, 1974, and on April 22, 1974, at Detroit, Michigan, I served it on the within named Kenneth Croy by delivering a copy to him and tendering to him the fee for one day's attendance and the mileage allowed by law.

Dated April 22, 1974

By William J. Liedel

Service Fees		
Travel	17.00 $	
Services	20.00	37.00
Total	37.00 $	

Subscribed and sworn to before me, a Notary Public this 22nd day of April, 1974.

MARGARET M. TWOMEY
Notary Public, Wayne County, Mich.
My Commission Expires 9-13-77

Margaret M. Twomey
~~Deputy~~ Spedding
Margaret M. Twomey

Note:—Affidavit required only if service is made by a person other than a United States Marshal or his Deputy. Fees and mileage need not be tendered to the witness upon service of a subpoena issued in behalf of the United States or an officer or agency thereof. 28 USC 1825.

GPO 938-477